Arshiya
Complex is simple

30th March, 2013

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot C/1, G-Block
Bandra-Kurla Complex
Bandra (East)
Mumbai -400 051
Fax : 26598237/38

Corporate Relationship Department
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001
Fax No.: 22723121/2037

Re: Arshiya International Limited - NSE Scrip Name: ARSHIYA
- BSE Scrip Code: 506074

Sub: Outcome of meeting of Board of Directors held on 30th March, 2013

This is to inform that the Board, at its meeting held today, i.e. 30th March, 2013, have considered, approved and taken on record the un-audited financial results for the 3rd quarter ended 31st December, 2012, as duly reviewed by the Statutory Auditors.

Pursuant to Clause 41 of the Listing Agreement (as amended), following are enclosed herewith

1. Copy of the un-audited financial results for the 3rd quarter ended 31st December, 2012 as approved by the Board is attached.

2. Copy of the Limited Review Report dated 31st December, 2012 issued by the Statutory Auditors and taken on record by the Board of the Company at their meeting held on that date is attached.

This is for your information, records and necessary action.

Yours truly.
For ARSHIYA INTERNATIONAL LIMITED

AJAY S MITTAL
CHAIRMAN & MANAGING DIRECTOR

ARSHIYA INTERNATIONAL LTD.

Arshiya International Ltd.
Corp. Off.: 301, Level 3, Ceejay House, Shiv Sagar Estate,
F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400 018, India.
T: +91 22 4230 5500/502 | F: +91 22 4230 5555

Regd. Off.: 6th Floor,C - Wing, Twin Arcade, Military Road,
Marol Maroshi, Andheri (East), Mumbai – 400 059, India.
T: +91 22 4049 5600/601 | F: +91 22 4230 5555
info@arshiyainternational.com|www.arshiyainternational.com

Arshiya International Limited

Registered Office : 6th Floor, 'C' Wing, Twin Arcade, Military Road,Marol Maroshi, Andheri (East), Mumbai - 400 059

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTH ENDED DECEMBER 31, 2012

(Rs In Lacs)

Sr.No.		Quarter Ended			Nine Months Ended		Year Ended
		31.12.2012 (Unaudited)	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)	31.12.2012 (Unaudited)	31.12.2011 (Unaudited)	31.03.2012 (Audited)
1	**Income from operations**						
	(a) Income from operations	20,078.75	21,791.94	14,837.61	60,035.65	41,697.12	58,556.58
	(b) Other operating income	-	-	447.28	-	704.16	706.45
	Total income from operations (net)	**20,078.75**	**21,791.94**	**15,284.89**	**60,035.65**	**42,401.28**	**59,263.03**
2	**Expenses**						
	(a) Cost of operations	13,948.91	14,012.17	9,741.63	40,354.30	27,673.88	38,680.31
	(b) Employee benefits expense	658.33	1,073.59	933.57	2,835.23	2,608.08	3,662.65
	(c) Depreciation and amortization expense	532.60	467.27	424.69	1,466.53	1,142.18	1,642.79
	(d) Other expenses	1,210.34	986.13	1,039.37	3,255.21	2,881.52	4,055.05
	Total expenses (a+b+c+d)	**16,350.18**	**16,539.16**	**12,139.26**	**47,911.28**	**34,305.66**	**48,040.80**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**3,728.57**	**5,252.78**	**3,145.63**	**12,124.37**	**8,095.62**	**11,222.23**
4	Other Income	62.17	805.55	959.14	2,307.47	2,667.91	3,737.76
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**3,790.74**	**6,058.33**	**4,104.77**	**14,431.84**	**10,763.53**	**14,959.99**
6	Finance costs	3,432.99	3,104.31	2,172.28	9,769.59	5,131.58	8,040.58
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**357.74**	**2,954.02**	**1,932.49**	**4,662.25**	**5,631.95**	**6,919.41**
8	Exceptional Items						
	- Leasehold Improvements Written off	448.13	-	-	448.13	-	
9	**Profit from ordinary activities before tax (7-8)**	**(90.39)**	**2,954.02**	**1,932.49**	**4,214.12**	**5,631.95**	**6,919.41**
10	Tax expense (Current Tax, MAT Credit and Deferred Tax)	85.03	948.14	618.73	1,464.19	1,773.46	2,168.23
11	**Net profit for the period (9-10)**	**(175.42)**	**2,005.88**	**1,313.76**	**2,749.93**	**3,858.49**	**4,751.18**
12	**Paid-up equity share capital (Face value per share Rs.2/-)**	**1,237.59**	**1,176.59**	**1,176.59**	**1,237.59**	**1,176.59**	**1,176.59**
13	**Reserves excluding Revaluation Reserves**						**54,055.57**
14	**Earning Per Share (EPS)**						
	EPS before & after Extraordinary items (not annualised)						
	- Basic	(0.29)	3.41	2.23	4.62	6.56	8.08
	- Diluted	(0.29)	3.41	2.23	4.62	6.56	8.08
15	**Public shareholding**						
	- Number of Shares	**32,594,762**	**32,594,762**	**33,394,762**	**32,594,762**	**33,394,762**	**33,394,762**
	- Percentage of Shareholding	**52.67%**	**55.41%**	**56.77%**	**52.67%**	**56.77%**	**56.77%**
16	**Promoters & Promoter Group Shareholding**						
	a) Pledged/Encumbered						
	- Number of Shares	**19,159,000**	**18,905,000**	**10,574,000**	**19,159,000**	**10,574,000**	**14,919,000**
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	**65.42%**	**72.06%**	**41.57%**	**65.42%**	**41.57%**	**58.66%**
	- Percentage of shares (as a % of the total share capital of the company)	**30.96%**	**32.13%**	**17.97%**	**30.96%**	**17.97%**	**25.36%**
	b) Non Encumbered						
	- Number of Shares	**10,125,710**	**7,329,710**	**14,860,710**	**10,125,710**	**14,860,710**	**10,515,710**
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	**34.58%**	**27.94%**	**58.43%**	**34.58%**	**58.43%**	**41.34%**
	- Percentage of shares (as a % of the total share capital of the company)	**16.36%**	**12.46%**	**25.26%**	**16.36%**	**25.26%**	**17.87%**
17	**Investor Complaints**			**For the quarter ended December 31, 2012**			
	Pending at the beginning of the quarter			**Nil**			
	Received during the quarter			**4**			
	Disposed of during the quarter			**4**			
	Remaining unresolved at the end of the quarter			**Nil**			

ARSHIYA INTERNATIONAL LTD.

Arshiya International Limited

Registered Office : 6th Floor, 'C' Wing, Twin Arcade,Military Road, Marol Maroshi, Andheri (East), Mumbai - 400 059

STANDALONE UNAUDITED SEGMENTWISE REPORT FOR THE QUARTER/NINE MONTHS ENDED DECEBMER 31, 2012

(Rs In Lacs)

Sr.No.		Quarter Ended			Nine Months Ended		Year Ended
		31.12.2012 (Unaudited)	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)	31.12.2012 (Unaudited)	31.12.2011 (Unaudited)	31.03.2012 (Audited)
1	**Segment Revenue**						
	Logistics	15,928.38	17,216.36	12,755.47	48,367.24	35,651.72	49,783.56
	Free Trade Warehousing Zones	4,150.37	4,575.58	2,529.42	11,668.41	6,749.56	9,479.47
	TOTAL	**20,078.75**	**21,791.94**	**15,284.89**	**60,035.65**	**42,401.28**	**59,263.03**
2	**Segment Results**						
	Profit Before Tax and Interest						
	Logistics	1,806.56	2,761.31	2,778.96	7,228.38	7,281.97	9,983.95
	Free Trade Warehousing Zones	3,232.64	3,452.18	1,739.20	8,799.28	4,600.75	6,236.23
	Unallocated	(1,373.90)	(1,402.71)	(1,287.22)	(4,191.88)	(3,398.84)	(4,956.16)
	TOTAL	**3,665.29**	**4,810.78**	**3,230.94**	**11,835.78**	**8,483.88**	**11,264.02**
	Less : Interest Expenses (Net)	3,307.54	1,856.76	1,298.45	7,173.53	2,851.93	4,344.61
	Profit Before Tax and exceptional items	**357.75**	**2,954.02**	**1,932.49**	**4,662.25**	**5,631.95**	**6,919.41**
3	**Capital Employed**						
	Logistics	31,589.85	29,981.70	5,155.29	31,589.85	5,155.29	24,840.13
	Free Trade Warehousing Zones	46,154.94	43,407.38	29,507.37	46,154.94	29,507.37	30,666.91
	Unallocated	(14,662.23)	(15,231.57)	20,683.95	(14,662.23)	20,683.95	(274.89)
	TOTAL	**63,082.55**	**58,157.51**	**55,346.61**	**63,082.55**	**55,346.61**	**55,232.15**

ARSHIYA INTERNATIONAL LTD.

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Notes to Standalone Results :

1) The above Unaudited Financial Results for the quarter/nine months ended December 31, 2012 have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on March 30, 2013.

2) The Statutory Auditors of the company have carried out a Limited Review of the Standalone Unaudited Financial Results for the quarter / nine months ended December 31, 2012.

3) Other Operating income includes the value of benefit received on utilization of "Served from India scheme" (SFIS) under Foreign Trade Policy.

4) The Hon'ble High Court of Bombay has vide its order dated December 7, 2012 (filed with Registrar of Companies, Mumbai on January 4, 2013) sanctioned the Scheme of Amalgamation of Arshiya Domestic Distripark Limited and Arshiya FTWZ Limited with Arshiya International Limited and their respective shareholders and creditors with the appointed date April 1, 2012. The effect of the scheme has been given in this quarter/ nine months ended December 31, 2012 as per AS14.

5) The Company has alloted 1,36,00,000 convertible warrants at Rs. 145/- per warrant to Mr. Ananya A Mittal, Promoter / Promotor group on preferential basis pursuant to a special Resolution passed by the members of the Company at their Extra Ordinary General Meeting held on October 18, 2012. Out of the above, 30,50,000 warrants have been converted into 30,50,000 Equity shares of Rs. 2/- each fully paid up at a premium of Rs. 143 per share on November 3, 2012. On February 19, 2013 Mr. Ananya A Mittal has transferred 30,50,000 equity shares and 1,05,50,000 convertible warrants of the Company to his father Mr. Ajay S Mittal by way of gift as inter se transfer between Promoter / Promoter group pursuant to regulation 10 (1) (a) (l) of SEBI (SAST) Regulations, 2011.

6) Mr. Ajay S Mittal, CMD volunteered to reduce his remuneration by 50% at the Board Meeting held on January 19, 2013. Board appreciated his gesture and accepted reduction in his remuneration by 50%.

7) The proposals of the company as well as three of its subsidiaries i.e. Arshiya Rail Infrastructure Limited, Arshiya Northern FTWZ Limited and Arshiya Industrial & Distribution Hub Limited were referred to Corporate Debt Restructuring (CDR) Cell which have been admitted under the CDR mechanism on February 15, 2013 and the final approvals are under consideration.

8) To rationalise expenses / cost and to efficiently utilise all resources to the optimum level, the Management has taken certain steps including rationalisation of personnel across the organisation.

9) The company's operations for the quarter /nine months ended December 31, 2012 suffered on account of major slowdown in operations which happened due to non clarity in the FTWZ Rules and Regulations which were raised by certain Government Authorities in September, 2012 and the steep hike in rail haulage charges in this quarter. As the company's operations are integrated in nature, the operations were affected across all operational divisions/subsidiaries.

10) The previous period figures have been regrouped /re-arranged, wherever necessary.

Notes to Consolidated Results :

1) The above Unaudited Financial Results for the quarter/nine months ended December 31, 2012 have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on March 30, 2013.

2) Other Operating income includes the value of benefit received on utilization of "Served from India scheme" (SFIS) under Foreign Trade Policy.

3) The Hon'ble High Court of Bombay has vide its order dated December 7, 2012 (filed with Registrar of Companies, Mumbai on January 4, 2013) sanctioned the Scheme of Amalgamation of Arshiya Domestic Distripark Limited and Arshiya FTWZ Limited with Arshiya International Limited and their respective shareholders and creditors with the appointed date April 1, 2012. The effect of the scheme has been given in this quarter/ nine months ended December 31, 2012 as per AS14.

4) The Company has alloted 1,36,00,000 convertible warrants at Rs. 145/- per warrant to Mr. Ananya A Mittal, Promoter / Promotor group on preferential basis pursuant to a special Resolution passed by the members of the Company at their Extra Ordinary General Meeting held on October 18, 2012. Out of the above, 30,50,000 warrants have been converted into 30,50,000 Equity shares of Rs. 2/- each fully paid up at a premium of Rs. 143 per share on November 3, 2012. On February 19, 2013 Mr. Ananya A Mittal has transferred 30,50,000 equity shares and 1,05,50,000 convertible warrants of the Company to his father Mr. Ajay S Mittal by way of gift as inter se transfer between Promoter / Promoter group pursuant to regulation 10 (1) (a) (l) of SEBI (SAST) Regulations, 2011.

5) Mr. Ajay S Mittal, CMD volunteered to reduce his remuneration by 50% at the Board Meeting held on January 19, 2013. Board appreciated his gesture and accepted reduction in his remuneration by 50%.

6) The proposals of the company as well as three of its subsidiaries i.e. Arshiya Rail Infrastructure Limited, Arshiya Northern FTWZ Limited and Arshiya Industrial & Distribution Hub Limited were referred to Corporate Debt Restructuring (CDR) Cell which have been admitted under the CDR mechanism on February 15, 2013 and the final approvals are under consideration.

7) To rationalise expenses / cost and to efficiently utilise all resources to the optimum level, the Management has taken certain steps including rationalisation of personnel across the organisation.

8) The Group's operations for the quarter /nine months ended December 31, 2012 suffered on account of major slowdown in operations which happened due to non clarity in the FTWZ Rules and Regulations which were raised by certain Government Authorities in September, 2012 and the steep hike in rail haulage charges in this quarter. As the Group's operations are integrated in nature, the operations were affected across all operational divisions/subsidiaries.

9) The previous period figures have been regrouped /re-arranged, wherever necessary.

Mumbai
March 30, 2013

Ajay S Mittal
Chairman and Managing Director

ARSHIYA INTERNATIONAL LTD.

Arshiya International Limited

Registered Office : 6th Floor, 'C' Wing, Twin Arcade,Military Road, Marol Maroshi, Andheri (East), Mumbai - 400 059

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED DECEMBER 31, 2012

(Rs In Lacs)

		Quarter Ended			Nine Months Ended		Year Ended
		31.12.2012 (Unaudited)	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)	31.12.2012 (Unaudited)	31.12.2011 (Unaudited)	31.03.2012 (Audited)
1	**Income from operations**						
	(a) Net sales/income from operations	26,471.09	37,256.71	26,889.27	97,911.72	73,688.86	104,933.53
	(b) Other operating income	-	-	447.28	-	704.16	799.44
	Total income from operations (net)	**26,471.09**	**37,256.71**	**27,336.55**	**97,911.72**	**74,393.02**	**105,732.97**
2	**Expenses**						
	(a) Cost of operations	21,320.31	22,705.28	17,082.70	65,227.56	47,058.28	66,631.22
	(b) Employee benefits expense	2,075.59	2,140.52	1,740.90	6,399.36	4,664.68	6,599.82
	(c) Depreciation and amortization expense	1,667.94	1,207.01	809.41	4,075.49	2,207.71	3,135.97
	(d) Other expenses	1,757.19	1,592.50	1,388.79	4,803.41	3,613.79	5,336.25
	Total expenses (a+b+c+d)	**26,821.03**	**27,645.31**	**21,021.80**	**80,505.82**	**57,544.46**	**81,703.26**
3	**Profit from operations before other income, finance cost and exceptional items (1-2)**	**(349.94)**	**9,611.40**	**6,314.75**	**17,405.90**	**16,848.56**	**24,029.71**
4	Other Income	623.54	(674.23)	756.23	693.17	1,188.91	754.40
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**273.60**	**8,937.17**	**7,070.98**	**18,099.07**	**18,037.47**	**24,784.11**
6	Finance costs	7,396.10	4,486.10	2,963.53	16,884.57	7,204.15	10,597.48
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**(7,122.50)**	**4,451.07**	**4,107.45**	**1,214.50**	**10,833.32**	**14,186.63**
8	**Exceptional Items**						
	- Leasehold Improvements Written off	448.13	-	-	448.13	-	-
9	**Profit from ordinary activities before tax (7-8)**	**(7,570.63)**	**4,451.07**	**4,107.45**	**766.37**	**10,833.32**	**14,186.63**
10	Tax expense (Current Tax, MAT Credit and Deferred Tax)	(7.12)	907.59	**662.29**	1,324.38	1,840.08	2,106.65
11	**Net Profit from ordinary activities after tax (9-10)**	**(7,563.51)**	**3,543.48**	**3,445.16**	**(558.01)**	**8,993.24**	**12,079.98**
12	**Minority Interest**	-	-	-	-	-	-
13	**Extraordinary Item (net of tax expenses)**	-	-	-	-	-	-
14	**Net profit for the period (11-12-13)**	**(7,563.51)**	**3,543.48**	**3,445.16**	**(558.01)**	**8,993.24**	**12,079.98**
15	**Paid-up equity share capital (Face value per share Rs.2/-)**	**1,237.59**	**1,176.59**	**1,176.59**	**1,237.59**	**1,176.59**	**1,176.59**
16	**Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year**						**85,446.58**
17	**Earning Per Share (EPS)**						
	EPS before & after Extraordinary items (not annualised)						
	- Basic	(12.72)	6.02	5.86	(0.94)	15.29	20.53
	- Diluted	(12.72)	6.02	5.86	(0.94)	15.29	20.53
18	**Public shareholding**						
	- Number of Shares	**32,594,762**	**32,594,762**	**33,394,762**	**32,594,762**	**33,394,762**	**33,394,762**
	- Percentage of Shareholding	**52.67%**	**55.41%**	**56.77%**	**52.67%**	**56.77%**	**56.77%**
19	**Promoters & Promoter Group Shareholding**						
	a) Pledged/Encumbered						
	- Number of Shares	**19,159,000**	**18,905,000**	**10,574,000**	**19,159,000**	**10,574,000**	**14,919,000**
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	**65.42%**	**72.06%**	**41.57%**	**65.42%**	**41.57%**	**58.66%**
	- Percentage of shares (as a % of the total share capital of the company)	**30.96%**	**32.14%**	**17.97%**	**30.96%**	**17.97%**	**25.36%**
	b) Non Encumbered						
	- Number of Shares	**10,125,710**	**7,329,710**	**14,860,710**	**10,125,710**	**14,860,710**	**10,515,710**
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	**34.58%**	**27.94%**	**58.43%**	**34.58%**	**58.43%**	**41.34%**
	- Percentage of shares (as a % of the total share capital of the company)	**16.36%**	**12.46%**	**25.26%**	**16.36%**	**25.26%**	**17.87%**

20	**Investor Complaints**	**For the quarter ended December 31,2012**
	Pending at the beginning of the quarter	**Nil**
	Received during the quarter	**4**
	Disposed of during the quarter	**4**
	Remaining unresolved at the end of the quarter	**Nil**

ARSHIYA INTERNATIONAL LTD.

Arshiya International Limited

Registered Office : 6th Floor, 'C' Wing, Twin Arcade,Military Road, Marol Maroshi, Andheri (East), Mumbai - 400 059

CONSOLIDATED UNAUDITED SEGMENTWISE REPORT FOR THE QUARTER/NINE MONTHS ENDED DECEMBER 31, 2012

(Rs In Lacs)

		Quarter Ended			Nine Months Ended		Year Ended
		31.12.2012 (Unaudited)	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)	31.12.2012 (Unaudited)	31.12.2011 (Unaudited)	31.03.2012 (Audited)
1	**Segment Revenue**						
	Logistics	16,043.28	19,141.42	14,904.57	53,607.85	44,114.32	61,340.69
	Free Trade Warehousing Zones / Distripark	3,797.72	8,929.66	4,432.46	19,945.68	11,399.87	17,156.11
	Containerised Rail Transport Operations	6,630.17	9,172.44	7,957.23	24,332.08	18,732.20	27,161.07
	Software/Others	(0.08)	13.19	42.29	26.12	146.63	75.10
	Unallocated	-	-	-	-	-	-
	TOTAL	**26,471.09**	**37,256.71**	**27,336.55**	**97,911.72**	**74,393.02**	**105,732.97**
2	**Segment Results**						
	Profit Before Tax & Interest						
	Logistics	1,676.80	2,822.00	3,254.17	7,820.14	9,288.43	12,723.44
	Free Trade Warehousing Zones / Distripark	(656.78)	5,855.98	3,751.11	10,568.59	8,853.20	12,459.62
	Containerised Rail Transport Operations	445.75	1,501.22	1,225.21	3,359.09	3,169.52	4,467.74
	Software/Others	(16.59)	0.72	22.66	(18.47)	49.79	(99.35)
	Unallocated	(1,373.90)	(1,402.71)	(1,290.60)	(4,191.88)	(3,668.74)	(5,226.07)
	TOTAL	**75.27**	**8,777.21**	**6,962.55**	**17,537.47**	**17,692.20**	**24,325.38**
	Less : Interest Expenses (Net)	7,197.77	4,326.14	2,855.10	16,322.98	6,858.85	10,138.75
	Profit Before Tax and Exceptional items	**(7,122.50)**	**4,451.07**	**4,107.45**	**1,214.50**	**10,833.35**	**14,186.63**
3	**Capital Employed**						
	Logistics	53,119.69	51,241.14	25,830.77	53,119.69	25,830.77	45,248.12
	Free Trade Warehousing Zones / Distripark	102,757.39	69,600.04	46,598.69	102,757.39	46,598.69	53,933.59
	Containerised Rail Transport Operations	14,714.44	15,746.17	15,076.55	14,714.44	15,076.55	15,377.73
	Software/Others	8,448.42	8,408.25	9,354.92	8,448.42	9,354.92	8,393.55
	Unallocated	(14,662.23)	(15,231.57)	20,683.95	(14,662.23)	20,683.95	(274.89)
	Inter Segmental Elimination	(69,593.34)	(36,099.06)	(32,581.67)	(69,593.34)	(32,581.67)	(36,054.93)
	TOTAL	**94,784.37**	**93,664.97**	**84,963.22**	**94,784.37**	**84,963.22**	**86,623.17**

ARSHIYA INTERNATIONAL LTD.

mgb & CO
Chartered Accountants

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To
The Board of Directors
Arshiya International Limited,
6th Floor, 'C' Wing, Twin Arcade,
Military Road, Marol Maroshi,
Andheri (E), Mumbai – 400059

Re: Limited Review Report for the quarter / nine months ended 31 December 2012

1) We have reviewed the accompanying statement of standalone unaudited financial results (the "Statement") of **Arshiya International Limited** (the "Company") for the quarter / nine months ended 31 December 2012 except for the disclosures regarding 'Public shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on this financial statement based on our review.

2) We conducted our review in accordance with the standard on Review Engagement (SRE) 2410, "Review of interim financial information performed by an independent auditor of the entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3) *We draw attention to the following;*

During the course of Limited Review, we have come across certain media reports regarding financial irregularities in the company and special review report dated 25 March 2013 on the financial affairs of the company conducted by an independent firm of chartered accountants appointed by the Company and its lenders and their significant findings are as under:

a) *The company has defaulted in repayment of principal borrowings and interest to certain lenders aggregating to Rs. 8,986 lacs. The company has undertaken and submitted Corporate Debt Restructuring plan to bankers and also negotiation with other lenders are in progress.*

mgb & CO
Chartered Accountants

b) *Capital advances amounting to Rs. 2,200 lacs to two parties for which adequate documentation to justify the nature of payments are not furnished, continue to be outstanding as at 31 December 2012. The company represented that the capital supplies and expenses have been delayed due to slow down of project execution and these advances are good, recoverable in cash or kind and it is taking steps to strengthen its internal control systems as to capital expenditure.*

c) *Out of the revenue of Rs. 23,835 lacs of logistic business from certain parties for the nine months ended 31 December 2012, Rs. 22,528 lacs remains outstanding as on that date and made certain observations with respect to such transactions. The company represented that about 20% of such outstandings have since been recovered from debtors and balance is good, will be recovered by June 2013 and it is taking steps to strengthen the internal control systems in this respect.*

d) *The cost of operations of logistic business of Rs. 19,362 lacs in respect of certain parties for the nine months ended 31 December 2012, fully remains outstanding as on that date and made certain observations with respect to such transactions. The company represented that about 25% of such outstandings have since been paid to creditors and balance will be paid by June 2013 and it is taking steps to strengthen the Internal Control systems in this respect.*

e) *Tax deducted at source of Rs. 1,248 lacs and other statutory dues aggregating to Rs 86 lacs are overdue. The company has represented to revenue authorities to pay these dues at the earliest.*

At present we are unable to comment on the above referred items

4) Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement *subject to our remarks in paragraph 3 above.*

For **MGB & Co**
Chartered Accountants
Firm Registration No. 101169W



Mohanlal Bhandari
Partner
Membership No. 012912
Mumbai, 30 March 2013