2016



Arshiya Limited

ANNUAL REPORT 2015-2016



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CORPORATE INFOMATION

BOARD OF DIRECTORS
(As on 31st March, 2016)

Mr. Ajay S Mittal - Chairman and Managing Director
Mrs. Archana A Mittal - Joint Managing Director
Mr. Ashish Bairagra - Independent Director
Mr. Rishabh Shah - Independent Director
Mr. Mukesh Kacker - Independent Director
Prof. G. Raghuram - Independent Director

CORPORATE MANAGEMENT TEAM
(As on 31st March, 2016)

Mr. S. Maheshwari - Group President
Mr. Ranjit Ray- Chief Executive Officer Northern Region
Ms. Savita Dalal- Company Secretary and Compliance Officer

AUDITORS

M/s. M. A. Parikh & Co., Chartered Accountants
Statutory Auditor
Yusuf Building, 2nd Floor, 43 Mahatma Gandhi Road,
Fort, Mumbai - 400001

M/s. Jayesh Sangharjka & Co. LLP,
Chartered Accountants
Internal Auditor
405-408, Hind Rajasthan Centre, D. S. Phalke Road, Dadar (E) Mumbai – 400014

Aabid & Co., Company Secretaries
Secretarial Auditor
Capital One Advisory LLP 12, 4th Floor, Sai Sadan 68,
Janma Bhoomi Marg Fort, Mumbai - 400 001

Prashant Karlekar & Associates, Cost Accountants
Cost Auditor
Flat No.5 & 6, Suasha Soc., Prashant Nagar, Wadar Wadi,
Naupada, Thane (West) Mumbai - 400 602

LIST OF BANKERS
Axis Bank
Bank of Maharashtra
Bank of India
Bank of Baroda
Corporation Bank
HDFC Bank
Indian Overseas Bank
Kotak Mahindra Bank
Lakshmi Vilas Bank
Oriental Bank of Commerce
Punjab National Bank
State Bank of India
State Bank of Patiala
Syndicate Bank
Tamilnad Mercantile Bank
The Karur Vysya Bank
UCO Bank

REGISTRAR AND SHARE TRANSFER AGENT
Bigshare Services Pvt. Ltd.
E - 2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai - 400072.
Tel : 91 22 40430200
Fax: +91 22 28475207
Email : info@bigshareonline.com

Registered Office,
302, Ceejay House, Level 3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai-400 018
Tel : +91 22 4230 5500
Fax: +91 22 4230 5555
Website: www.arshiyalimited.com
E- Mail: info@arshiyalimited.com

BOARD OF DIRECTORS



Ajay Mittal
Group Chairman & Managing Director

Education: M.B.A (USA), Bachelor of Commerce (India)

Mr. Mittal is the key driving force behind Arshiya's growth into India's first fully integrated supply chain management and logistics infrastructure solutions company.

With over three decades of experience Mr. Mittal has successfully scaled Arshiya Limited by developing Free Trade Warehousing Zones (FTWZs), Rail & Rail Infrastructure, Inland Container Depot and Transport & Handling to its unified business portfolio.

Today, Arshiya stands at the helm of being the first developer of India's first of its kind two FTWZs, and second largest Private Container Train Operator (PCTO) in the country.

Under Mr. Mittal's guidance, Arshiya Limited has also received national as well as international awards and accolades for its initiatives in the supply chain space.

Mr. Mittal in his entrepreneurial career has helmed leadership positions in diverse sectors including financial services, manufacturing, international trading, information technology and global supply chain management.

Mr. Mittal received his M.B.A from the United States. He is also very active with various social reform and community service organizations. His personal mission is for Arshiya Group to play a major supporting role in India's economic transformation and growth.



Archana Mittal
Joint Managing Director

Education: Bachelor of Arts (India)

Mrs. Mittal leads the projects and procurement at Arshiya. Her vision and leadership has been critical for the company's transformation into India's premier Logistics Infrastructure Company.

Mrs. Mittal is also a key member of Arshiya's executive management team involved with strategic decision-making towards Arshiya's growth & development. Under Mrs. Mittal's guidance, Arshiya Limited presently operates India's first of its kind state-of-the-art two FTWZs, One in the west Mumbai - Panvel spanning 165 acres and another in the state of U.P. near Delhi in North Khurja spanning 135 acres.

Mrs. Mittal is a graduate in Bachelor of Arts (Honours) from Punjab University and is also very active with various social reform organizations across India especially in the field of girl child education and women empowerment.



Ashish Bairagra
Independent Director and Chairman of the Audit Committee

Education: Chartered Accountant, Bachelor of Commerce (India), Certified Management Consultant

Mr. Bairagra has extensive experience in handling internal audits, statutory audits, management audits, tax advisory and business advisory assignments. His areas of specialisation include International Taxation, Transfer Pricing, Valuation, Due Diligence, PE and VC Funding and Cross Border Business Structuring. He is a Partner of M. L. Bhuwania & Co., Chartered Accountants, which is an independent member of Geneva Group International (GGI). He is also the Global Vice Chairperson of the International Taxation Practice Group (ITPG) of GGI.

BOARD OF DIRECTORS



Prof. G Raghuram
Independent Director

Education: PhD (Northwestern University), PGDM (IIMA) and B.Tech (IITM)

Prof. Raghuram is the Vice Chancellor of Indian Maritime University, a central university by the Government of India. This university integrates into its fold the existing seven maritime academic institutions across the nation. He is also a professor of the Indian Institute of Management (IIM), Ahmedabad. His specialization comprises Transportation Policy and Management, Infrastructure and Service Systems, Supply Chain and Logistics Management. His research, consultancy, case studies and publications focus includes railways, ports and shipping, air and road sector, service organizations. He has also authored four books on Logistics and Supply Chain Management, Infrastructure Development and Financing - Towards a Public-Private Partnership and Shipping Management. He was also the President of Operational Research Society of India and is a member of boards and government committees related to infrastructure and logistics. He is a Fellow of the Operational Research Society of India and Charted Institute of Logistics and Transport. He has been visiting faculty at universities in USA, Canada, Yugoslavia, Tanzania, UAE, Singapore and several institutions across India.



Rishabh P Shah
Independent Director

Education: Bachelor of Arts(India), L.L.B(India)

Mr. Shah is a practicing legal counsel and a legal consultant who advises on several areas of civil law, in particular, commercial documentation, property documentation, various areas of banking, commercial contracts, company restructuring and securities law. Banking and Corporate law and litigation being his areas of specialisation. He has over 17 years of experience representing major corporations as legal counsel.



Mukesh Kacker
Independent Director

Education: Master in Economics(Public Policy) from Harvard University, (U.K.) M.A.(Political Science) from Allahabad University and BSc.(Physics, Mathematics & Statistics). He was an IAS of 1979 batch.

Mr. Kacker has almost 31 years of experience of working in the Government as an I.A.S. officer before he opted for voluntary retirement to work in the area of infrastructure, and has held important senior positions, both in policy formulation roles as well as in executing capacities. As Member, National Highways Authority of India (NHAI), he was in the vanguard of personnel leading India's highways revolution and was instrumental in planning and executing a major portion of the Golden Quadrilateral. As Joint Secretary (Petrochemicals), he drafted the National Policy on Petrochemicals and conceptualized the policy on Investment Regions anchored by big Petrochemical units. In his state cadre of Madhya Pradesh, he has held various positions including Secretary to the Government, Managing Director of two state Public Sector Undertakings and Secretary to the Chief Minister.

In view of his experience in the infrastructure sector, the Government of India has inducted him as Member, Task Force on Infrastructure Development and Mega Projects. He is also a Member on the Governing Board of Lifeline Foundation, an NGO based in Vadodara and working in the field of highway rescue. He is the founder-promoter of Kacker & Daughter Infrastructure Consultancy Services Ltd. Mr. Kacker currently serves as Director General of CUTS Institute for Regulation and Competition (CIRC).

NOTICE

NOTICE IS HEREBY GIVEN THAT the 35th Annual General Meeting (AGM) of the members of Arshiya Limited is scheduled to be held on Friday, 29th July, 2016 at 10:30 A. M. at Hall of Culture (Nehru Centre), Worli, Mumbai - 400 018 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31stMarch, 2016 and reports of the Board of Directors and of the Auditors thereon.

2. To appoint a Director in place of Mr. Ajay S Mittal (DIN 00226355), who retires by rotation and being eligible offers himself for re-appointment.

3. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution :**

   "RESOLVED THAT pursuant to the provisions of Sections 139(1), 139(9) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s. M. A. Parikh & Co., Chartered Accountants (Firm Registration No. 107556W) as Statutory Auditors of the Company, approved in the 33rd Annual General Meeting for a period of three years from financial year 2014-15 to 2016-17, be and is hereby ratified in this Annual General Meeting till conclusion of next Annual General Meeting, with remuneration as may be decided by the Board of Directors."

SPECIAL BUSINESS:

4. **Ratification of Remuneration to Cost Auditor**

   To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Prashant Karlekar & Associates, Cost Accountants, (Firm Registration Number 16075), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, be paid a remuneration, for the Financial Year ended 31st March, 2016, amounting to ₹ 60,000/- (Rupees Sixty Thousand only) plus taxes as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

5. **Approval for Material Related party transaction(s)**

   To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 including amendments if any therein, and in terms of applicable provisions of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force), and also pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings, the approval of the members be and is hereby accorded to the Material Related Party Transactions already entered into by the company with Arshiya Supply Chain Management Private Limited for the Financial Year 2015-16 of a value of ₹ 39,12,81,394/- (Rupees Thirty Nine Crores Twelve Lacs Eighty One Thousand Three Hundred Ninety Four Only) as per details set out under item no. 5 of the explanatory Statement annexed to this Notice and that the Board of Directors be and are hereby authorized to perform and execute all such deeds, matters and things including delegate such authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.

   RESOLVED FURTHER THAT consent of the members be and is hereby accorded for ratification of the aforesaid related party transactions already entered into by the Company exceeding the threshold limits as specified in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and which are material in nature in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."

6. **Approval for entering into Related party transaction(s)**

   To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force, approval of the members be and is hereby accorded to the Board of Directors, entering into contracts/arrangements/ transactions with the companies as mentioned in the Explanatory Statement annexed to the Notice (hereinafter cited to as

'related parties') on such terms and conditions as may be mutually agreed upon between the Company and related parties for an amount not exceeding ₹ 500 Crores (Rupees Five Hundred Crores only) in a financial year for each type of transaction i.e. Capital Contribution, Security Deposit, Sale/Purchase or Supply of good and Services, Selling or otherwise disposing of, or buying, property of any kind, leasing of property of any kind, availing or rendering of any services.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party, finalise the terms and conditions as may be considered necessary, expedient or desirable and execute such agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this Resolution in the best interest of the Company."

By Order of the Board of Directors of
Arshiya Limited

Registered Office:
302, Ceejay House, Level-3,
Shiv Sagar Estate, F-Block, Dr. Annie Besant Road,
Worli, Mumbai – 400018
Date: 25th May, 2016
Place: Mumbai

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. Explanatory Statement under Section 102 of the Companies Act, 2013, in respect of the Special Business at Item Nos. 4 & 5 of the accompanying Notice are annexed hereto.

4. A profile of the Director seeking re-appointment as required under item no. 2 of the accompanying Notice, as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is given as ANNEXURE-I.

5. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.

6. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at Company's Registered Office on all working days (except 2nd & 4th Saturdays, Sundays and Public Holidays) between 11:00 a.m. to 1:00 p.m. up to the date of the Annual General Meeting.

7. The Register of Members and Share Transfer Books will remain closed from 23rd July, 2016 to 28th July,2016 (both days inclusive).

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.

9. Pursuant to the provisions of Section 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has transferred on due dates, the unpaid and unclaimed dividend amount for the financial year ended 31st March, 2008 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 10th July, 2015 (date of last Annual General Meeting) on the website of the Company (www.arshiyalimited.com) as also on the Ministry of Corporate Affairs Website.

The details of dividend declared are given below:

Date of Declaration	For FY	Dividend Per share (₹)	Due Date of the proposed transfer to the IEPF
29.09.2009	2008-09	0.80	10th November, 2016
24.09.2010	2009-10	1.00	28th October, 2017
20.09.2011	2010-11	1.20	1st November, 2018
18.09.2012	2011-12	1.40	29th October, 2019

10. Members who have not encashed the Dividend Warrants for the above years are requested to write to the Company or to the Company's Registrar and Transfer Agents, M/s. Bigshare Services Private Ltd., immediately for revalidation of Dividend Warrants before such unclaimed dividend is transferred to the Investor Education and Protection Fund. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund.

11. Electronic copy of the Annual Report for the year 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) and have given their consent to receive the same through electronic means. For Members other than above, physical copies of the Annual Report are being sent by the permitted mode.

12. Electronic copy of the Notice of the 35th Annual General Meeting of the Company, inter-alia, indicating the process and manner for e-voting, along with the Attendance Slip and Proxy Form are being sent by electronic mode to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same. Members other than above, physical copies of the Notice of the 35th Annual general Meeting of the Company, inter-alia, indicating the process and manner for e-voting, along with the Attendance Slip and Proxy Form are being sent by the permitted mode.

13. Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report for the year 2015-16 will be available on the website of the Company www.arshiyalimited.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered office on all working days (except 2nd & 4th Saturdays, Sundays and Public Holidays) between 11:00 a.m. to 1:00 p.m.

14. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id:grv.redressal@arshiyalimited.com

15. Members/Proxies should bring duly filled in Attendance Slip in the form annexed hereto and tender the same at the entrance of the meeting hall.

16. Members are requested to bring their copy of the Annual Report at the meeting.

17. Representative of corporate members should send/carry a duly certified copy of the Board Resolution/Power of Attorney authorizing the attendance and voting at the meeting.

18. Members are requested to send their queries, if any, at least seven days in advance to the extent possible, so that the information could be made available at the meeting.

19. Members are requested to notify change, if any, in its/his/her address to the Registrar & Share Transfer Agents of the Company quoting their folio number or to their respective Depository Participant, as the case may be, regarding shares held in physical or electronic form.

20. Members are requested to send all the correspondence concerning registration of transfers, transmissions, subdivision, consolidation of share certificates or any other share related matters to M/s. Bigshare Services Private Ltd., Registrar & Share Transfer Agents, E-2/3 Ansa Industrial Estate, Saki Vihar Road, Andheri (East), Mumbai-400072.

21. Members desirous of making a nomination in respect of their shareholding in physical form under Section 72 of the Companies Act, 2013, are requested to send the same to the Company's Registrar & Share Transfer Agents in the prescribed form.

22. Non-resident Indian Members are requested to inform M/s. Bigshare Services Private Ltd., the Company's Registrar & Share Transfer Agents immediately of the following:

    a. The change in the residential status upon return to India for permanent settlement;
    b. The particulars of the bank account maintained in India with complete name, branch, IFSC Code account type, account number and address of the bank with pin code number.

23. The Company also request you to update your email address with your Depository Participant to enable us to send you the communications via e-mail.

24. The businesses as set out in the Notice may be transacted through electronic voting system under Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014. The Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at the Meeting. Please note that the voting through electronic means is optional.

(I) The voting through electronic means will commence on Tuesday, 26th July, 2016 at 10:00 a.m. and will end on Thursday, 28th July, 2016 at 5:00 p.m. The Members will not be able to cast their vote electronically beyond the date and time mentioned above. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date (record date) i.e. Friday, 22nd July, 2016 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(II) The Company has appointed Mr.Mohammad Aabid, Practicing Company Secretary to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

(III) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesser not in the employment of the company and make, not later than three days of the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the chairman or a person authorised by him in writing who shall countersign the same.

(IV) The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.

(V) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

(VI) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.arshiyalimited.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the Thirty Fifth AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

(VII) The procedure and instructions for the voting through electronic means is, as follows:

(a) In case of Shareholders' receiving e-mail from NSDL:

(i) Open e-mail and open PDF file viz; "Arshiya info e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.

(vii) Select "EVEN" of Arshiya Limited viz. 104260

(viii) Now you are ready for e-Voting as Cast Vote page opens

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc., together with attested specimen signature of the duly authorized signatory(s) who are authorized to vote, to the Scrutinizer through e-mail: arshiyainfoevoting@arshiyalimited.com with a copy marked to evoting@nsdl.co.in.

(xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.

(xiv) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.

(xv) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(b) In case a Member receives physical copy of the Notice of AGM (for Members whose e-mail addresses are not registered with the Company/Depositories):

i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

ANNEXURE TO THE NOTICE OF THE 35TH ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

For Item No. 4

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. Prashant Karlekar & Associates, Practicing Cost Accountants (Firm Registration No. 16075), to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2016 at a remuneration of ₹60,000/- (Rupees Sixty Thousand only) per annum plus applicable taxes and reimbursement of out of pocket expenses, subject to ratification by shareholders.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify/approve the remuneration payable to the Cost Auditors during the year 2015-16, as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the Resolution.

The Resolution is recommended for your approval.

For Item No. 5

During the Financial Year 2015-16, your Company has entered into certain business transactions with M/s. Arshiya Supply Chain Management Private Limited a wholly owned subsidiary Company, which is a "Related Party" as defined under Section 2(76) of the Companies Act, 2013.

These transactions are worth ₹ 39,12,81,394/- (Rupees Thirty Nine Crores Twelve Lacs Eighty One Thousand Three Hundred Ninety Four Only) for F.Y. 2015-16 which are of value exceeding 10% of the Annual Consolidated Turnover of the Company as per the Last Audited Financial Statement of the Company i.e. financial year ended 31st March, 2015. The details of such transactions are given below:-

The particulars of the contracts / arrangements / transactions are as under	
Particulars	**Information**
Name of the Related Party:	M/s. Arshiya Supply Chain Management Private Limited
Nature of Relationship:	Wholly Owned Subsidiary
Material terms of the Contracts / arrangements / transactions:	Sale/Purchase or Supply of goods and Services
Monetary Value:	₹ 39,12,81,394 (Rupees Thirty Nine Crores Twelve Lacs Eighty One Thousand Three Hundred Ninety Four Only) (Which exceeds 10% of the consolidated Annual Turnover of Last Audited Financial Year i.e. 2014-15)
Duration of the Contracts / arrangements / transactions:	Ongoing
Whether the transactions have been approved by Audit Committee and the Board of Directors:	Yes
Any other information relevant or important for the Members to make a Decision on the proposed transaction:	None

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the Resolution.

The Resolution is recommended for your approval.

For Item No. 6

Pursuant to the provisions of Section 188(1) of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014 including amendments if any therein, the Related Party Transactions as mentioned in clause (a) to (g) of the said Section require a Company to obtain prior approval of the Board of Directors and subsequently the Shareholders of the Company by way of Ordinary Resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds prescribed in Rule 15(3) of the said Rules. Further, as required under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all material related party transactions (other than as specified under the said regulations) shall require approval of the shareholders through Ordinary Resolution. Accordingly, the approval of the shareholders by way of Ordinary Resolution is sought under Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014 and of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to enable the Company to enter into related Party Transactions in one or more tranches. The particulars of the Related Party Transactions, which are required to be stated in the Explanatory Statement, as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Sr. No	Name of the related party	Relationship	Value per transaction for each Financial year (₹ In crores)	Nature of transaction
1	Arshiya Northern FTWZ Limited	Wholly - owned Subsidiary	500	Capital Contribution, Security Deposit, Sale/Purchase or Supply of goods and Services, Selling or otherwise disposing of, or buying, property of any kind, leasing of property of any kind, availing or rendering of any services
2	Arshiya Industrial & Distribution Hub Limited	Wholly - owned Subsidiary	500	
3	Arshiya Central FTWZ Limited	Wholly - owned Subsidiary	500	
4	Arshiya Supply Chain Management Private Limited	Wholly - owned Subsidiary	500	
5	Arshiya Technologies (India) Private Limited	Wholly - owned Subsidiary	500	
6	Arshiya Transport and Handling Limited	Wholly - owned Subsidiary	500	
7	Arshiya Rail Infrastructure Limited	Wholly - owned Subsidiary	500	
8	Welldone Software Consultancy Private Limited	Entity where promoters hold a substantial interest in terms of shareholding	500	

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the Resolution.

The Resolution is recommended for your approval.

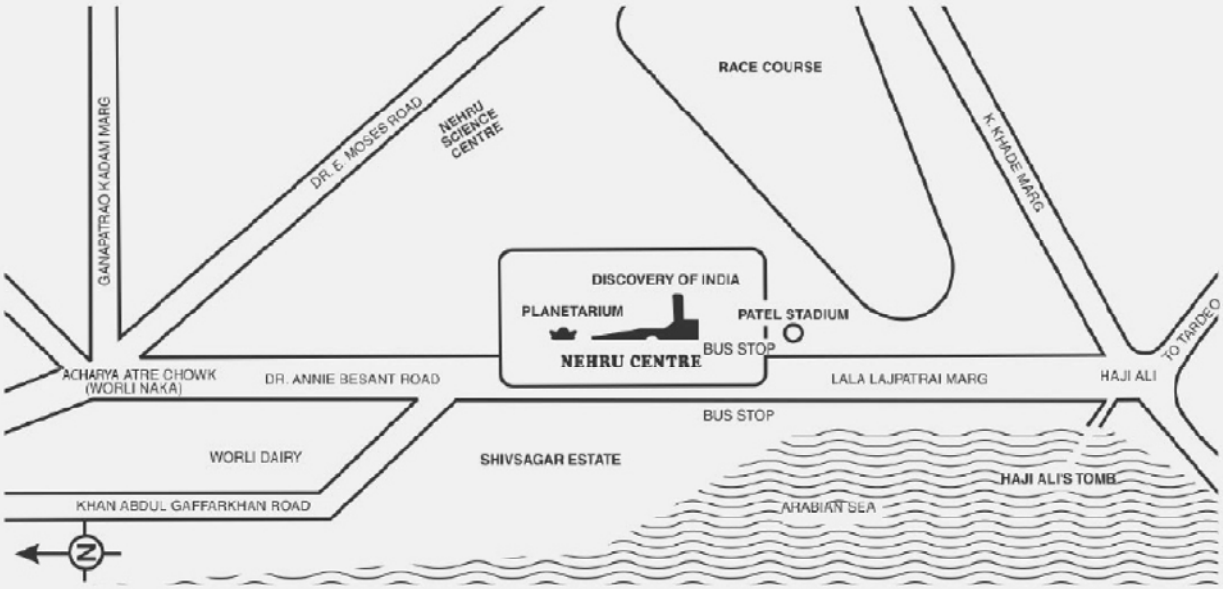
ANNEXURE- I

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENTFORTHCOMING ANNUAL GENERAL MEETING
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Mr. Ajay S Mittal
Date of Birth	28th June, 1965
Date of Appointment on the Board	31st December, 2005
Qualification	M.B.A from the United States of America
Expertise	With over three decades of varied experience in business and industry spanning international marketing, commodities trading, manufacturing, financial services, information technology , logistics and supply chain. Mr. Mittal has successfully scaled Arshiya Group by developing Free Trade Warehousing Zones (FTWZs), Rail & Rail Infrastructure, Inland Container Depot and Transport & Handling to its unified business portfolio. Today, Arshiya stands at the helm of being the first developer of India's first of its kind two FTWZs and second largest Private Container Train Operator (PCTO) in the country.
Directorship held in other Public companies	Arshiya Limited
	Arshiya Rail Infrastructure Limited
	Arshiya Rail Siding And Infrastructure Limited
	Arshiya Industrial & Distribution Hub Limited
	Arshiya Transport And Handling Limited
	Arshiya Lifestyle Limited
	Arshiya Northern FTWZ Limited
	Mega Meditex Limited*
	Mega Fin (India) Limited
	Mega Custodial Services Ltd
Committee position held in other companies	**Arshiya Rail Infrastructure Limited** Audit Committee – Member; Nomination & Remuneration Committee – Member **Arshiya Northern FTWZ Limited** Audit Committee – Member **Arshiya Industrial & Distribution Hub Limited** Audit Committee – Member **Arshiya Supply Chain Management Private Limited** Nomination & Remuneration Committee – Member
Shareholding of Director	1,85,60,937

*Company under liquidation

Site Map to the venue



Location Map of Nehru Centre

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 35th Annual Report together with the Audited Accounts for the financial year ended 31st March, 2016.

1. RESULTS OF OUR OPERATIONS

i.) Summarized Standalone Financial Results- Arshiya Limited

Particulars	Year ended 31.03.2016 (Amount In ₹)	Year ended 31.03.2015 (Amount In ₹)
Income	64,77,07,541	51,10,75,937
Expenditure	2,13,85,03,840	2,51,81,72,369
Profit/(Loss) Before Depreciation and Tax	(1,49,07,96,299)	(2,00,70,96,432)
Depreciation	23,58,70,091	29,22,01,514
Profit/(Loss) Before Tax and Exceptional Items	(1,72,66,66,390)	(2,29,92,97,946)
Exceptional Items (Net)	1,02,81,23,576	10,89,94,018
Prior period Items(Net)	47,22,060	3,17,39,997
Profit/(Loss) After Tax	**(2,78,39,49,721)**	**(24,00,31,961)**

ii.) Summarized Consolidated Financial Results - Arshiya Limited and its subsidiaries

Particulars	Year ended 31.03.2016 (Amount In ₹)	Year ended 31.03.2015 (Amount In ₹)
Income	3,10,40,41,448	3,26,26,50,150
Expenditure	5,97,34,79,783	6,95,32,52,909
Profit/(Loss) Before Depreciation and Tax	(2,86,94,38,335)	(3,69,06,02,757)
Depreciation	91,60,20,304	1,01,09,33,233
Profit/(Loss) Before Tax and Exceptional Items	(3,78,54,58,638)	(4,70,15,35,990)
Exceptional Items	2,23,03,67,978	5,95,77,099
Prior Period Adjustments	(1,02,88,660)	3,54,74,825
Profit/ (Loss) for the year before tax	(6,00,55,37,956)	(4,79,65,87,914)
Net Profit/ (Loss) for the year	**(6,03,75,25,651)**	**(4,74,00,69,133)**

The consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards viz. AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India and forms part of this Annual Report.

Your Company has recorded a loss during the financial year. The general overall slowdown in industrial growth and sluggish trend had its negative impact on your Company's operations. Besides, your Company had to face various constraints in the day to day operations due to regulatory and other issues which have severely impacted the performance of the Company.

However, the Company has been consistently taking up these issues with the appropriate Authorities. Recently, the Ministry of Commerce and Industry as well as other concerned Government departments have granted certain permissions/ approvals which has removed few of the hurdles that were faced by the company, which will boost FTWZ business in India.

Besides above, several initiatives and measures undertaken by the company for marketing and business development of FTWZ, rationalisation of expenses, cost reductions, improvement of effective utilisation of human & material resources to the optimum level would substantially help in improvement of performance of the company. Your Management considered it expedient to contain high finance costs so that cash flow can be channelized to operations for further productivity. To effectively service the borrowings your Management has implemented Corporate Debt Restructuring (CDR) during 2013-14. Since the company has not been able to generate sufficient cash flows to service the dues of lenders, the CDR lenders revoked the approved CDR Package and decided to exit the CDR. Further, some of the CDR lenders have assigned their outstanding dues to an Edelweiss Asset Reconstruction Company Limited.

iii.) Dividend

In view of losses, the Directors regret their inability to recommend dividend for the financial year ended 31st March, 2016.

iv.) Particulars of loans, guarantees and investments by company

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

v.) Fixed Deposits

The Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

vi.) Particulars of Contracts or arrangements made with related party(ies)

Particulars of contracts or arrangement with related parties referred to in Section 188(1) of the Companies Act 2013, in the prescribed **Form No. AOC-2**, is appended as ***Annexure–I to*** the Board's report.

Further, Mr. Ananya A Mittal son of Mr. Ajay S Mittal and Mrs. Archana A Mittal, Promoters of the Company have been appointed as Vice President-Strategy of Arshiya Industrial & Distribution Hub Limited, a wholly-owned subsidiary of the Company. The Board of Directors of your Company at their meeting held on 15th May, 2015 have approved his appointment to the place of profit in the subsidiary. The Board of Arshiya Industrial & Distribution Hub Limited approved his appointment at their Meeting held on 30th June, 2015 to be effective from 1st July, 2015. Further, since the remuneration paid to him is within the limit of ₹ 2,50,000/- per month as specified in Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014 hence shareholders' approval was not required for his appointment.

vii.) Material changes and commitment, if any, affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and on the date of this report.

viii.) Share Capital

The paid-up equity share capital of the Company as at 31st March, 2016 stood at ₹ 31,23,58,944/- (Rupees Thirty One Crores Twenty Three Lakhs Fifty Eight Thousand Nine Hundred Forty Four only). During the year under review the Company has allotted 2,87,50,000equity shares of ₹ 2/- each at a price of ₹ 14.60/- per share to the Promoters on preferential basis pursuant to the CDR scheme as approved by the CDR-EG.

2. BUSINESS AND FUTURE OUTLOOK:

i.) Business Initiatives

India has 12 major ports and about 187 non-major ports. In financial year 2015, major ports handled 581.3 million metric tonnes (MMT) of cargo, while non-major ports handled 471.2 MMT of cargo.

Since ports handle almost 95 per cent of trade volumes in India, the rising trade has contributed significantly to the country's cargo traffic. To support the growing demand, cargo capacity in India is expected to increase to 2,500 MMT by 2017.

Indian logistics market is expected to grow at a CAGR of 12% by 2020 driven by the growth in the manufacturing, retail, FMCG and e-commerce sectors. Today India spends around 14% of its GDP on Logistics and Transportation as compared to less than 8% spent by the other developing countries.

Out of the total Exim cargo in India, over 1 million TEUS of containerized cargo is moving from the Northern part of India through gateway ports of JNPT, Mundra & Pipavav which is consistently increasing and therefore this part of India has been demanding more Inland Container Depot facilities to be provided to the exporters and the importers for catering to such volumes.

This growth will require huge logistical support in terms of world class infrastructure and Container Train operations for movement of goods across the country. Arshiya Group is fully geared to cater to the anticipated boom in the Indian logistics scenario.

Rail and Rail Infrastructure

In April 2008, Arshiya acquired Category I license to operate Pan-India rail service, giving rise to Arshiya Rail Infrastructure Limited (Arshiya Rail). Arshiya Rail is a specialized entity of Arshiya Limited offering unprecedented rail infrastructure, including an abundance of modern rakes, customized containers, new sidings, Pan-India network, and superior connectivity. Arshiya Rail has started its operations in February 2009 with corporate clients by offering unique and specialized services with capability of large scale evacuation of cargo from Plants, Domestic hubs and Customer Sidings. Arshiya Rail offers a viable alternative, clearing up congested roads, providing unmatched efficiencies, and promises to save time and cost significantly thereby boosting profitability.

Our unique model has resulted in Arshiya Rail being the second largest Private Container Train Operator (CTO). This company is operating total 18 container trains across Pan India.

Arshiya Rail is giving customized and long term freight services to big corporate clients to various gateway ports like Vizag, Kolkata, Mumbai and Haldia.

Private Freight Terminal (PFT) at Khurja

Arshiya Rail Siding at Khurja was notified as a Brownfield PFT for handling all types of inward and outward traffic in full rakes, also being the first to be notified in National Capital Region (NCR). Arshiya is successfully operating its PFT model attracting different cargo and train operators.

Apart from the existing container trains coming into Arshiya Rail Infrastructure, Khurja (ARIK) with commodities such as Ingots, Billets and Sponge Iron, the Cement Industry too is looking at Khurja terminal for feeding their plants and end users located in and around Delhi NCR.

With investments increasing in setting up of Cement (Grinding and Mixing) plants in and around Khurja, ARIK can expect to see its utilization in in-warding of raw material from various sectors and out-warding of finished product in times to come.

The terminal opens itself to other commodities also which will be critical to the growth of business in that region such as Iron & Steel, Salt and essential commodities etc.

Free Trade and Warehousing Zone (FTWZ):

The Arshiya Group has created valuable tangible assets in logistic space. The operational FTWZ at Panvel is spread over 142 acres of land while the Northern FTWZ at Khurja is spread over 127 acres of land. The facilities of Arshiya Group are well connected by rail and road networks. North facilities co-located with the Inland Container Depot (ICD) which facilitates EXIM cargo storage and handling operations.

Arshiya Northern FTWZ Limited (ANFL), a subsidiary has developed a FTWZ at Khurja, Uttar Pradesh, to cater to the needs of Northern India. The state-of-the art infrastructure includes Rail connectivity and an ICD to provide efficient connectivity between the gateway ports and the FTWZ. At present there are no FTWZ present within Delhi NCR.

FTWZ is still a young concept in India and gradually the Trade is beginning to recognize its benefits. A lot of potential clients struggle hard to recover taxes and duties paid during imports. They face the burden of spending heavy amounts towards recovery expenses apart from the time consumed in foregoing the duties paid because of lack of provisions. FTWZ is a solution to all the hassles faced by clients and recently management took lot of good business initiatives to drive growth and business results.

Some of the key initiatives have been:

- *Synergizing with ICD sales team to create an unique "ICD-FTWZ" pull model to generate more business*
- *Market segmentation exercise based on target commodities*
- *Creation of a strong, focused sales team*
- *Focus on large volume based reputed potential foreign clients*
- *Boosting our marketing efforts by participating in trade events, creating new brochures*

Inland Container Depot (ICD):

In April 2016, the Inland Container Depot (ICD) at Khurja (UP) was finally launched and is declared open to the Exim Trade for business. On 30th April, 2016, the ICD ran its 1st Exim rail service to Mundra port which was well received by the Trade.

Being in close proximity to the Reefer Export market, we have received huge positive response from the market and have begun to receive regular bookings. We have initiated strong marketing efforts with all Shipping Lines to open acceptance points, which is the key to our success.

In order to cater to market demands, Arshiya soon plans to offer regular Rail services to all major gateway ports.

Supply Chain Management:

Arshiya Supply Chain Management Private Limited, a subsidiary, is a service unit at Arshiya FTWZ, Panvel and Khurja. The main activities of the company are to serving the Indian and foreign clients and carry out Value Added Service (VAS) as per client's requirements. With our focus on gaining Foreign Clients, we expect good volumes materializing in near future.

Subsidiaries and Associates

Your Company has 12 subsidiary companies, including 2 Material Subsidiaries and 3 step down subsidiaries as on 31st March, 2016.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing salient features of the financial statement of our subsidiaries

in the prescribed **FormNo. AOC-1** is appended as ***Annexure-II*** to the Board's Report. The Statement also provides the details of performance, financial positions of each of the subsidiary.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries are available on our website www.arshiyalimited.com. These documents will also be available for inspection during business hours at the registered office in Mumbai, India.

3. CORPORATE GOVERNANCE

Corporate Governance is the system by which companies are directed and controlled. The purpose of Corporate Governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company. The goal of Corporate Governance is to ensure fairness of every stakeholder. We always seek to ensure that our performance is driven by integrity. We believe sound Corporate Governance is critical to enhance and retain investor trust. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. The Company has been following the principles of good Corporate Governance over the years and lays strong emphasis on transparency, accountability and integrity.

A separate section on Corporate Governance practices followed by the Company, together with a certificate from Company's Auditors confirming compliances, as per SEBI Regulations, forms part of this Annual Report.

i.) Board Diversity

The Company recognises and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage difference in thought, perspectives, knowledge, skill, regional and industry experience, cultural and geographical background. The Board has adopted the Policy on Board Diversity which sets out the approach to diversity of the Board of Directors and the same is available on our website http://www.arshiyalimited.com/assets/pdf/policy-on-board-diversity20160407104216.pdf.

ii.) Number of meetings of the Board

During the year eight meetings were held. The details of the meetings of the Board held during the financial year 2015-16 forms part of the Corporate Governance Report. The intervening gap between any two meetings did not exceed 120 days as prescribed by Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

iii.) Policy on Director's Appointment and Remuneration

The Current policy of Board of Directors of the Company has an optimum combination of Promoter Director and Non-Executive Independent Directors, who have in depth knowledge of the business and industry. The composition of the Board is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website http://www.arshiyalimited.com/assets/pdf/nomination-and-remuneration-policy20160407103702.pdf. There has been no change in the policy since the last financial year. We affirm that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

iv.) Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 to meet the criteria of their independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

v.) Board evaluation

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. A structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The performance evaluation of the Chairman and the n on-independent Director(s) was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

vi.) Familiarisation Program for Independent Directors

All new Independent Directors whenever inducted in the Board attend the orientation program. The details of training and familiarisation program for Independent Directors with the Company, nature of the Industry in which the Company operates, business model of the Company and related matters are available on our website http://www.arshiyalimited.com/assets/pdf/familarisation-programmes20160407103729.pdf.

Further, at the time of the appointment of Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties, and responsibilities. The format of the letter of appointment is available on our website http://www.arshiyalimited.com/assets/pdf/appointment-letters20160407091114.pdf.

vii.) Code of Conduct for prevention of Insider Trading

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with the shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for prevention of insider trading is available on our website http://www.arshiyalimited.com/assets/pdf/insider-trading-code20160407090651.pdf

viii.) Uniform Listing Agreement

The Securities Exchange Board of India (SEBI), on 2nd September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from 1st December, 2015. Accordingly, all listed entities were required to enter into uniform Listing Agreement within six months from the date of notification of the aforementioned regulations. The Company entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited on 23rd February, 2016.

ix.) Policies

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. Also the Companies Act, 2013 requires the Company to formulate few policies. All our corporate governance policies are available on our website http://www.arshiyalimited.com/corporate-governance.html. The Policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

In addition to its Code of Conduct and Ethics, key policies that have been adopted by the company are as follows:

Name of the Policy	Brief Description	Web Link
Nomination and Remuneration Policy	The purpose of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.	http://www.arshiyalimited.com/assets/pdf/nomination-and-remuneration-policy20160407103702.pdf
Related Party Transaction Policy	The purpose of this policy is to regulate all transactions between the Company and its related parties.	http://www.arshiyalimited.com/assets/pdf/related-party-transaction-policy20160407103809.pdf
Code of conduct for prevention of insider trading& Code of corporate disclosure practices	The purpose of this Policy is to provide the framework for dealing in securities of the Company.	http://www.arshiyalimited.com/assets/pdf/insider-trading-code20160407090651.pdf
Policy on Material Subsidiary	The purpose of this policy is to determine the material subsidiaries and to provide the governance framework for them.	http://www.arshiyalimited.com/assets/pdf/policy-on-material-subsidiaries20160407103840.pdf

Risk Management Policy	The purpose of this policy is to lay down the framework of the Risk Management.	http://www.arshiyalimited.com/assets/pdf/risk-management-policy20160407103904.pdf
Whistle Blower Policy (Policy on Vigil Mechanism)	The purpose of this policy is to provide mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	http://www.arshiyalimited.com/assets/pdf/vigil-mechanism-whistle-blower-policy20160407104143.pdf
Policy on Board Diversity	The purpose of this policy is to have optimum combination of Directors from different areas and fields.	http://www.arshiyalimited.com/assets/pdf/policy-on-board-diversity20160407104216.pdf
Archival Policy	The purpose of this Policy is to archive any of the material events or information which are disclosed by the Company to the Stock Exchanges.	http://www.arshiyalimited.com/assets/pdf/archival-policy_120160613145605.pdf
Policy for determination of Materiality of any event / information	The purpose of this Policy is to determine materiality of events and information and to ensure that the Company shall make disclosure of events / information.	http://www.arshiyalimited.com/assets/pdf/policy-for-determination-of-materiality-of-any-event--information_120160613145521.pdf
Policy for preservation of documents	The purpose of this Policy is to ensure that all the necessary documents and records of the Company are adequately protected and preserved as per the statutory requirements.	http://www.arshiyalimited.com/assets/pdf/policy-for-preservation-of-documents_120160613145057.pdf
Policy on Corporate Social Responsibility	The purpose of this policy is to identify the activities wherein the Company can contribute for fulfilling its Corporate Social Responsibility.	http://www.arshiyalimited.com/arshiya/assets/pdf/csr-policy_120160620105217.pdf

x.) Directors and Key Managerial Personnel

- **Appointment and Resignation**

  Board of Directors of the Company has an optimum combination of Promoter Directors and Non-Executive Independent Directors, who have in depth knowledge of the business and industry. There has been no change in Board of Directors of the Company during the financial year 2015-16.

  Ms. Savita Dalal was appointed as a Company Secretary and Compliance Officer of the Company w.e.f. 10th July, 2015.

  Mr. V.L. Ganesh was appointed as CFO of the Company w.e.f. 10th July, 2015 and ceased to be so w.e.f. 19th February, 2016.

- **Re-appointments**

  In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Ajay S Mittal – Chairman & Managing Director retire by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

  Brief details of the Director proposed to be appointed / Re – appointed as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the notice of the Annual General Meeting and forms an integral part of this Annual Report.

Xi.) Committees of the Board

Currently the Board have Six Committees namely Audit Committee, Nomination and Remuneration Committee, Share

Transfer, Investor Grievances & Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Committee of Directors and Risk Management Committee. A detailed note on Board and its committees is provided in the Corporate Governance Report section of this Annual Report.

Xii.) Significant and material orders passed by the regulators or courts

There are no significant and material orders passed by the Regulators or Courts or Tribunals that would impact the going concern status of the Company and its future operations.

Xiii.) Extract of Annual Return

In accordance with Section 92 and 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in **Form No. MGT-9** is appended as ***Annexure-III*** to the Board's Report.

Xiv.)Internal control systems

- **Internal Control systems and their adequacy**

Your Company has an effective internal control and risk mitigation system, which are constantly assessed and strengthened with new/ revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal audit is entrusted to M/s. JayeshSanghrajka& Co. LLP, a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken by the management are presented to the Audit Committee. To maintain its objectivity and independence, the internal audit function reports to the Chairman of the Audit Committee.

- **Internal Controls over financial reporting**

Your company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the adequacy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company has adopted accounting policies which are in line with the accounting standards and the Act. These are in accordance with the generally accepted accounting principles in India.

The Company has a robust financial closure, certification mechanism for certifying adherence to various accounting policies, accounting hygiene and accuracy of provisions and other estimates.

Xv.) Directors'Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

a.) In the preparation of the annual accounts for the year ended 31stMarch, 2016, the applicable accounting standards have been followed and no material departures have been made from the same.

b.) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financialyear and of the loss of the company for that period.

c.) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detectingfraud and other irregularities.

d.) They haveprepared the annual accounts on a going concern basis.

e.) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f.) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

4. AUDIT AND AUDITORS' REPORT

i.) Statutory Auditors

M/s. M.A. Parikh & Co., Chartered Accountants (Firm Registration No.107556W), Mumbai, Statutory Auditors of the Company, were appointed as Statutory Auditor for a period of three years at the 33rd Annual General Meeting of the Company, however the members are required to ratify their appointment every year.

Your directors recommend the ratification of appointment of M/s. M.A. Parikh & Co., Chartered Accountants (Firm Registration No. 107556W) as Statutory Auditors of the Company, by the members at the ensuing Annual General Meeting. The Company has received letter from M/s. M.A. Parikh & Co, Chartered Accountants, to the effect that their appointment, if ratified, would be within the prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified for such appointment. The necessary resolution seeking your approval for ratification of Statutory Auditor has been incorporated in the Notice convening the Annual General Meeting.

Auditors' Report

Management's response to the qualifications in the Auditors' Report is as under:

a.) Refer Point No. 1 of Auditors Report

Post CDR exit, lenders are entitled to exercise rights and remedies available under the original loan documents, however in the absence of any communication from these lenders, the Company has not provided for additional interest from CDR cut-off date till 31st March, 2016.

b.) Refer Point No. 2 of Auditors Report

Upon finalization of restructuring with ARC, the Company will record the effect of the revised terms as to repayment of Principal and Interest.

c.) Refer Point No. 3 of Auditors Report

Your Company has filed an application to the Central Government for waiver of recovery of excess remuneration paid and the same is pending before the Central Government.

d.) Refer Point No. 4 of Auditors Report

Mr. Shyam Rathi– CFO resigned w.e.f. 14th November, 2014 and the Company found a suitable candidate only in the month of July 2015, when Mr. V. L. Ganesh was appointed as CFO w.e.f. 10th July, 2015.

ii.) Cost Auditor

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records. The Board of Directors, on the recommendation of Audit Committee, appointed M/s. Prashant Karlekar & Associates, Practicing Cost Accountants (Firm Registration No. 16075) as Cost Auditors to audit the cost accounts of the Company for the financial year 2015-16 at a remuneration of ₹ 60,000/- (Rupees Sixty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking member's approval for the ratification of remuneration paid to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

Auditors' Report

There is no qualification in the Cost Audit Report in the year ended 31stMarch, 2015.

iii.) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. Aabid & Co, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report for the financial year 2015-16 forms part of this Annual Report as ***Annexure-IV*** to the Board's Report.

Auditors' Report

Management's response to the observations in the Secretarial Auditors' Report is as under:

a.) Refer Point No. i. of Auditors Report

Your Company has filed an application to the Central Government for waiver of recovery of excess remuneration paid and the same is pending before the Central Government.

b.) Refer Point No. ii. of Auditors Report

Due to prevailing economic conditions and regulatory issues, the Company could not generate sufficient cash flows to service its debts. Your management is vigorously working towards the revival plan and hopeful that in future all debts will be paid off.

c.) Refer Point No. iii. of Auditors Report

The Company had already obtained the approval of FIPB for the warrants so allotted. An application to RBI for compounding has been filed by the Company.

d.) Refer Point No. iv of Auditors Report

Mr. Shyam Rathi – CFO resigned w.e.f. 14th November, 2014 and the Company found a suitable candidate only in the month of July 2015, when Mr. V.L. Ganesh was appointed as CFO w.e.f. 10th July, 2015.

5. CORPORATE SOCIAL RESPONSIBILITY

Your Company sincerely believes that growth needs to be sustainable in a socially relevant manner. Today's business environment especially in India, demands that corporates play a pivotal role in shouldering social responsibility. Your Company is committed to its endeavour in social responsibilities for benefit of the community.

Under the Corporate Social Responsibility (CSR) initiative of the Company viz. 'Arshiya Cares', your Company has pledged to join hands with organizations who are working towards finding simple solutions to the infrastructure problems that India faces.

Following CSR initiatives have been undertaken by your Company in the social front:

At Company's FTWZ at Sai Village, Panvel we have a 24x7 emergency fire fighting vehicle and an emergency ambulance service dedicated for residents in the vicinity of Sai Village and Panvel area. This service is available to the local population free of charge through a toll free number.

As per the provisions of the Companies Act, 2013, the Company was not required to make a mandatory spending for the CSR Activities. The CSR policy is available on the website of the company at http://www.arshiyalimited.com/arshiya/assets/pdf/csr-policy_120160620105217.pdf

6. HUMAN RESOURCES

Your Company recognizes the importance of human resources which is key and vital asset for enabling your Company to serve its customers and hence in turn maximize shareholders wealth. While on the one hand, your Company is committed in strengthening its human resources by induction of experienced a nd competitive professionals, on the other hand your Company is formulating appropriate policies, systems and schemes which will create adequate opportunities for growth in career and create a working environment which enhances productivity. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Result Areas (KRAs) are in place for senior management staff.

The Company is committed to nurturing, enhancing and retaining top talent through superior Learning and Organizational Development. This is a part of Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run. The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business.

Further statutory disclosures w.r.t. Human Resources are as under:

i.) As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated and implemented a policy on Sexual Harassment at workplace with a mechanism of lodging complaints. Its redressal is placed on the intranet for the benefit of its employees. During the year under review, no complaints were reported to the Board.

ii.) Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as ***Annexure–V.***

None of the employees listed in the said Annexure is a relative of any director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

Key Managerial Personnel

Sr. No.	Name of the Person	Designation
1	Mr. Ajay S Mittal	Chairman and Managing Director

2	Mrs. Archana A Mittal	Joint Managing Director
3	Mr.V.L. Ganesh	Chief Financial Officer (appointed w.e.f. 10th July, 2015 and resigned w.e.f. 19th February, 2016)
4	Ms. Savita Dalal	Company Secretary and Compliance Officer (appointed w.e.f. 10th July, 2015)
5	Mr. Subhrarabinda Birabar	CEO (Resigned w.e.f. 17th March, 2016)

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

8. RISK MANAGEMENT

Your Company is well aware of risks associated with its business operations and various projects under execution. Comprehensively risk management system is being put in place involving classification of risk, adoption of risk, mitigation measures and a strong mechanism to deal with potential risks and situation leading to rise of risks in an effective manner.

Senior Professionals conversant with risk management systems have been entrusted with the said task with a brief to implement the risk management.

9. HEALTH, SAFETY AND ENVIRONMENT

As a responsible corporate citizen, your Company lays considerable emphasis on health, safety aspects of its human capital, operations and overall working conditions. Thus being constantly aware of its obligation towards maintaining and improving the environment, all possible steps are being taken to meet the toughest environmental standards on pollution, effluents, etc. across various spheres of its business activities.

Arshiya's Rail Infrastructure division especially plays a pivotal role in the mitigation of pollution and reduction of fuel used for road travel through its unique Rail solutions that it provides to Corporates at Pan-India level.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 for the year ended 31stMarch, 2016 is set out as under:

Conservation of Energy: The operations of the company involve low energy consumption. Adequate measures have been implemented to conserve energy.

Technology Absorption: Arshiya sincerely believes in utilising technology to improve productivity, efficiency and quality of its business operations and working environment.

Foreign Exchange Earnings and Outgo:

- Foreign Exchange received – ₹ 16,93,76,774/-
- Foreign Exchange incurred – ₹ 37,99,899/-

APPRECIATION

Your Directors wish to place on record their appreciation for the assistance, support and co-operation received from Government of India, the State Governments and other Government agencies and departments, investors, bankers, financial institutions and all other stakeholders.

Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf of the Board of Directors of
Arshiya Limited

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Dated: 25th May, 2016

ANNEXURES TO THE BOARD'S REPORT

Annexure - I

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2016, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
1	Name (s) of the related party	Arshiya Supply Chain Management Private Limited
2	Nature of relationship	Wholly-owned Subsidiary
3	Nature of contracts/arrangements/transaction	Supply of Services
4	Duration of the contracts/arrangements/transaction	Ongoing
5	Salient terms of the contracts or arrangements or transaction including the value, if any	No
6	Date of approval by the Board	15th May, 2015
7	Amount paid as advances, if any	₹ 26,00,00,000/-

For and on behalf of the Board of Directors of
Arshiya Limited

Place: Mumbai
Dated: 25th May, 2016

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Annexure - II - Statement containing the salient features of the financial statements of subsidiaries / associates companies / joint ventures
[Pursuant to first proviso to sub-section (3) of section 129 of the companies Act, 2013, read with rule 5 of the companies (Accounts) Rules, 2014 - AOC-1]

₹in lacs except % of shareholding

Sr. No.	Name of the subsidiary	Financial Period ended	Exchange rate	Share capital	Reserves & surplus	Total assets	Total liabilities (excluding share capital and reserves & surplus)	Investments	Turnover	Profit / (Loss)before taxation(6*)	Provision for taxation	Profit / (Loss) after taxation	% of Share holding
1	Arshiya Supply Chain Management Private Limited (1*)	31st March, 2016	INR	3,78,71,200	(1,18,49,74,788)	1,11,81,85,218	2,26,52,88,806	-	85,98,42,254	3,69,06,989	75,50,000	2,93,56,989	100%
2	Arshiya Industrial & Distribution Hub Limited (4*)	31st March, 2016	INR	14,99,29,950	1,10,15,32,845	7,38,98,48,248	6,13,83,85,453	-	1,05,757	(91,25,57,434)	-	(91,25,57,434)	100%
3	Arshiya Northern FTWZ Limited	31st March, 2016	INR	9,55,06,260	3,18,23,92,114	7,92,08,71,886	4,64,29,73,512	11,49,08,880	3,26,19,157	(61,49,42,809)	-	(61,49,42,809)	100%
4	Arshiya Central FTWZ Limited (3*)	31st March, 2016	INR	21,38,40,230	(21,39,03,920)	22,193	85,883	-	-	(92,06,08,443)	-	(92,06,08,443)	100%
5	Arshiya Rail Infrastructure Limited (2*)	31st March, 2016	INR	40,88,91,950	(95,73,11,541)	6,02,36,67,677	6,57,20,87,268	-	1,97,92,96,932	(83,30,30,054)	-	(83,30,30,054)	100%
6	Arshiya Rail Siding and Infrastructure Limited	31st March, 2016	INR	5,00,000	(5,31,542)	1,05,914	1,37,456	-	27,562	(40,770)	-	(40,770)	100%
7	Arshiya Transport And Handling Limited	31st March, 2016	INR	5,00,000	(10,56,80,645)	17,45,392	10,69,26,036	-	-	(3,11,004)	-	(3,11,004)	100%
8	Arshiya Hong Kong Limited (Hong Kong)	31st March, 2016	1 HKD = ` 8.53	1,98,26,792	1,69,50,30,009	1,93,59,48,117	22,10,91,316	1,80,00,00,931	-	(4,38,968)	-	(4,38,968)	100%
9	Arshiya International Singapore Pte Limited (Singpore)	31st March, 2016	1 SGD = ` 48.89	48,89,070	(35,88,518)	17,67,458	4,66,906	-	2,173	(1,22,546)	-	(1,22,546)	100%
10	Cyberlog Technologies International Pte Limited (singapore)	31st March, 2016	1 USD = ` 66.14	2,65,06,249	28,55,56,803	32,03,36,196	82,73,144	42,99,282	-	(2,49,581)	-	(2,49,581)	100%
11	Cyberlog Technologies (UAE) FZE	31st March, 2016	1 AED = ` 18.00	27,00,480	86,91,50,690	1,03,87,07,001	16,68,55,831	1,03,62,58,566	-	(5,44,597)	-	(5,44,597)	100%
12	Arshiya Technologies (India) Private Limited (5*)	31st March, 2016	INR	10,11,580	1,42,062	12,47,941	94,300	-	-	(86,710)	-	(86,710)	100%

(1*) 12.64% (12.64%) held through Arshiya Northern FTWZ Limited.
(2*) 5.27 % (5.27%) held through Arshiya Hongkong Limited.
(3*) 48.33 % (48.33 %) held through Arshiya Hongkong Limited.
(4*) 9.38 % (9.38 %) held through Cyberlog Technologies (UAE) FZE.
(5*) 90.11 % (90.11%) held through Cyberlog Technologies International Pte Limited
(6*)Converted at monthly average exchange rates.
(7*) % of Share Holding including beneficial interest/ voting power (either directly/indirectly or through subsidiaries)

Notes:
1 Investments Exclude Investments in Subsidiaries
2 Proposed dividend from any of the subsidaries is nil

ANNEXURE - III

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i.	CIN	L27320MH1981PLC024747
ii.	Registration Date	3rd July, 1981
iii.	Name of the Company	Arshiya Limited
iv.	Category/Sub-category of the Company	Company Limited by shares/ Indian non-government Company
v.	Address of the Registered office & contact details	302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018 T: +91 22 42305500/02F: +91 22 4230 5555
vi.	Whether listed company	Yes
vii.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Bigshare Services Pvt. Ltd. E/2 Ansa Industrial Estate, Saki Vihar Road, Andheri (East), Mumbai-400072 T: +91 22 4043 0200 F: +91 22 28475207

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Warehousing and support activities	52	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No	Name	Address of the Company	CIN/ GNL	Holding / Subsidiary Associate	% of Shares held	Applicable Section
1	Arshiya Supply Chain Management Private Limited	302, Level 3, CeeJay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U63013MH2006PTC165506	**Subsidiary**	100	2(87)(ii)
2	Arshiya Transport And Handling Limited	302, Level 3, CeeJay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U63030MH2010PLC200604	**Subsidiary**	100	2(87)(ii)
3	Arshiya Northern FTWZ Limited	302, Level 3, CeeJay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U51109MH2008PLC183555	**Subsidiary**	100	2(87)(ii)
4	Arshiya Central FTWZ Limited	302, Level 3, CeeJay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U63011MH2008PLC183792	**Subsidiary**	100	2(87)(ii)
5	Arshiya Industrial & Distribution Hub Limited	302, Level 3, CeeJay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U63000MH2008PLC182929	**Subsidiary**	100	2(87)(ii)
6	Arshiya Rail Infrastructure Limited	302, Level 3, CeeJay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road,	U45200MH2008PLC180907	**Subsidiary**	100	2(87)(ii)

		Worli Mumbai-400018				
7	Arshiya Rail Siding and Infrastructure Limited	302, Level 3, CeeJay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U74990MH2010PLC199940	**Subsidiary**	100	2(87)(ii)
8	Arshiya Technologies (India) Private Limited	302, Level 3, CeeJay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U72300MH2007PTC175427	**Subsidiary**	100	2(87)(ii)
9	Cyberlog Technologies (UAE) FZE	P. O. Box 42885, Hamriyah Free Zone, Sharjah UAE	N.A,	**Subsidiary**	100	2(87)(ii)
10	Arshiya Hong Kong Limited	20/F, Champion Building, 287-291, Des Voeux Road Central, Sheung Wan, Hong Kong	N.A.	**Subsidiary**	100	2(87)(ii)
11	Cyberlog Technologies International Pte Limited	39, Robinson Road, #07-01, Robinson Point, Singapore-068911	N.A.	**Subsidiary**	100	2(87)(ii)
12	Arshiya International Singapore Pte Limited	438 B, Alexandra Road, # 03-11, Alexandra Technopark, Singapore-119968	N.A.	**Subsidiary**	100	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise ShareHolding

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2015				No. of Shares held at the end of the year :31/03/2016				% change during the year
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
A	**PROMOTERS**									
1	**Indian**									
(a)	Individual / Huf	8,83,70,225	0	8,83,70,225	69.35	11,71,20,225	0	11,71,20,225	74.99	5.64
(b)	Central / State Government (S)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others (Specify)									
(i)	Group Companies	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(iii)	Directors Relatives	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(1) :	**8,83,70,225**	**0**	**8,83,70,225**	**69.35**	**11,71,20,225**	**0**	**11,71,20,225**	**74.99**	**5.64**
2	**Foreign**									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individual	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00

	Sub Total (A)(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	0.00
	Total Holding For Promoters (A)=(A)(1) + (A)(2)	**8,83,70,225**	**0**	**8,83,70,225**	**69.35**	**11,71,20,225**	**0**	**11,71,20,225**	**74.99**	**5.64**
B	**Public**									
1	**Institutions**									
(a)	Central / State Government (S)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Mutual Funds / Uti	0	25,000	25,000	0.02	0	25,000	25,000	0.02	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Fii's	22,08,366	0	22,08,366	1.73	20,67,639	0	20,67,639	1.32	(0.41)
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B)(1) :	**22,08,366**	**25,000**	**22,33,366**	**1.75**	**20,67,639**	**25,000**	**20,92,639**	**1.34**	**(0.41)**
2	**Non Institutions**									
(a)	Bodies Corporate	1,28,71,931	0	1,28,71,931	10.10	1,31,58,957	0	1,31,58,957	8.43	(1.68)
(b)	Individual									
(i)	(Capital Upto To Rs. 1 Lakh)	86,58,966	2,57,601	89,16,567	7.00	89,96,196	2,55,001	92,51,197	5.92	(1.07)
(ii)	(Capital Greater Than Rs. 1 Lakh)	98,82,697	0	98,82,697	7.76	96,97,811	0	96,97,811	6.21	(1.55)
(c)	Any Others (Specify)									
(i)	Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Clearing Member	3,34,434	0	3,34,434	0.26	4,28,973	0	42,8,973	0.27	0.01
(iii)	Non Resident Indians (Nri)	16,04,992	0	16,04,992	1.26	16,63,610	0	16,63,610	1.07	0.00
(iv)	Directors Relatives	13,955	0	13,955	0.01	13,955	0	13,955	0.01	0.00
(v)	Employee	4,810	0	4,810	0.00	4,610	0	4,610	0.00	0.00
(vi)	Foreign Nationals	50,000	4,00,000	4,50,000	0.35	50,000	2,50,000	3,00,000	0.19	(0.16)
(vii)	Overseas Bodies Corporates	5,99,000	21,47,495	27,46,495	2.16	3,00,000	21,47,495	24,47,495	1.57	(0.59)
(viii)	Unclaimed Suspense Account	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B)(2) :	**3,40,20,785**	**28,05,096**	**3,68,25,881**	**28.90**	**3,43,14,112**	**26,52,496**	**3,69,66,608**	**23.67**	**(5.23)**
	Total Public Shareholding (B)=(B)(1) + (B)(2)	**3,62,29,151**	**28,30,096**	**3,90,59,247**	**30.65**	**3,63,81,751**	**26,77,496**	**3,90,59,247**	**25.01**	**(5.64)**

C	Shares Held By Custodians									
(i)	Promoter And Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (C)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Grand Total (A) + (B) + (C)	**12,45,99,376**	**28,30,096**	**12,74,29,472**	**100**	**15,35,01,976**	**26,77,496**	**15,61,79,472**	**100**	**0.00**

(ii) ***Shareholding of Promoters***

Sr. No.	Shareholder's Name	Share holding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares ofthe company	% of Shares Pledged/ encumber edtototal shares	No. of Shares	% of total Shares ofthe company	% of Shares Pledged/ encumbere dto total shares	
1	Mrs. Archana A Mittal	6,98,09,288	54.78	43.80	9,85,59,288	63.11	100	+19.31
2	Mr. Ajay S Mittal	1,85,60,937	14.57	14.57	1,85,60,937	11.88	100	-2.69
	Total	**8,83,70,225**	**69.35**	**58.36**	**11,71,20,225**	**74.99**		**16.62**

(iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase (+)/ Decrease (-) during the year	Reason	No. of shares	% of total shares of the company
1	**Mrs. Archana A Mittal**	6,98,09,288	54.78	21.04.2015	+45,00,000	Preferential Allotment	7,43,09,288	
				29.09.2015	+1,02,70,000	Preferential Allotment	8,45,79,288	
				21.11.2015	+1,39,80,000	Preferential Allotment	9,85,59,288	
	At the end of the year						**9,85,59,288**	**63.11**
2	**Mr. Ajay S Mittal**	1,85,60,937	14.57	Nil	Nil			
	At the end of the year						**1,85,60,937**	**11.88**

(iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	Date	Increase (+)/ Decrease (-) during the year	Reason	No. of shares	% of total shares of the company
1	Naishadh Jawahar Paleja	29,76,270	1.91	-	-	-	-	-
	At the end of the year						**29,76,270**	**1.91**

2	STCI Finance Limited	18,61,731	1.19	-	-	-	-	-
	At the end of the year						18,61,731	1.19
3	Citigroup Global Markets Mauritius Private Limited	2,76,955	0.18	30.09.2015	+13,43,403	Purchase	16,20,358	1.04
	At the end of the year						**16,20,358**	**1.04**
4	Saviga Investment Holdings Inc	13,97,495	0.89	-	-	-	-	-
	At the end of the year						**13,97,495**	**0.89**
5	Capri Global Advisory Services Private Limited	10,50,000	0.82	-	-	-	-	-
	At the end of the year						**10,50,000**	**0.82**
6	Maverick Financial Services Private Limited	0	0	18.03.2016	+9,85,207	Purchase	9,85,207	0.63
	At the end of the year						**9,85,207**	**0.63**
7	Parvesh Gandotra	8,00,000	0.51	09.10.2015	+40,000	Purchase	840,000	0.54
				20.11.2015	+8,000	Purchase	8,48,000	0.54
				04.12.2015	+1,12,000	Purchase	9,60,000	0.61
	At the end of the year						**9,60,000**	**0.61**
8	Luckpro Pte Limited	7,50,000	0.48	-	-	-	-	-
	At the end of the year						**7,50,000**	**0.48**
9	Rajratan Babulal Agarwal	**7,03,933**	**0.45**	-	-	-	-	-
	At the end of the year						**7,03,933**	**0.45**
10	Daga Sandeep Ramdas	7,50,000	0.48	17.04.2015	- 50,000	Sale	**700,000**	**0.45**
				17.05.2015	- 25,000	Sale	**6,75,000**	**0.43**
	At the end of the year						**6,75,000**	**0.43**

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	**Shareholding of each Directors and each Key Managerial Personnel**	**Shareholding at the beginning of the year**		**Changes during the year**			**Cumulative Shareholding during the Year**	
		No. of shares	**% of total shares of the company**	**Date**	**Increase (+)/ Decrease (-) during the year**	**Reason**	**No. of shares**	**% of total shares of the company**
1	**Mrs. Archana A Mittal**	6,98,09,288	54.78	21.04.2015	+45,00,000	Preferential Allotment	7,43,09,288	
				29.09.2015	+1,02,70,000	Preferential Allotment	8,45,79,288	
				21.11.2015	+1,39,80,000	Preferential Allotment	9,85,59,288	
	At the end of the year						9,85,59,288	**63.11**
2	**Mr. Ajay S Mittal**	1,85,60,937	14.57	-	-	-	-	-
	At the end of the year						**1,85,60,937**	**11.88**
3	**Mr. Rishabh Shah**	7,955	0.01	-	-	-	**7,955**	**0.01**
	At the end of the year	-					**7,955**	**0.01**
4	**Ms. Savita Dalal**	50	0.00	-	-	-		
	At the end of the year	-	-				**50**	**0.00**

F) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,10,79,16,919	4,51,63,894	-	**13,15,30,80,813**
ii) Interest due but not paid	3,90,22,97,457	42,91,102	-	**3,90,65,88,559**
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**17,01,02,14,376**	**4,94,54,996**	-	**17,05,96,69,372**
Change in Indebtedness during the financial year				
* Addition	2,68,68,512	54,85,30,288	-	**57,53,98,799**
* Reduction	79,91,23,501	53,01,10,838	-	**1,32,92,34,339**
Net Change	**- 77,22,54,989**	**1,84,19,449**	-	**-75,38,35,540**
Indebtedness at the end of the financial year				
i) Principal Amount	12,33,56,61,930	6,35,83,343	-	**12,39,92,45,273**
ii) Interest due but not paid	5,59,83,47,040	-	-	**5,59,83,47,040**
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**17,93,40,08,969**	**6,35,83,343**	-	**17,99,75,92,313**

* Previous year's figures have been regrouped/reclassified wherever necessary to conform to those of current year's classification/disclosures.

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Ajay S Mittal- Managing Director	Mrs. Archana A Mittal- Joint Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act*	-	-	-

-

*Since the Company has incurred Losses, hence overall ceiling cannot be calculated. The Company did not paid any managerial remuneration during the financial year under review.

B. Remuneration to other directors

(Amount in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ashish Bairagra	Mr. Rishabh Shah	Prof. G. Raghuram	Mr. Mukesh Kacker	
1	Independent Directors					
	Fee for attending board committee meetings	1.90	1.90	0.80	1.40	6.00

	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	1.90	1.90	0.80	1.40	6.00
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1.90	1.90	0.80	1.40	6.00
	Total Managerial Remuneration	1.90	1.90	0.80	1.40	
	Overall Ceiling as per the Act	Nil*				

*Since the Company has incurred Losses, hence overall ceiling cannot be calculated. The Company did not paid any managerial remuneration during the financial year under review. As per Section 197 (3) & Section 197(5) of the Companies Act, 2013 read with rule 4 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 sitting fees paid to the Director's is excluded from determining quantum of Managerial Remuneration.

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(Amount in Lacs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Subhrarabinda Birabar - CEO	Ms. Savita Dalal - CS *	Mr. V.L. Ganesh- CFO	Total
1	Gross salary	113.19	6.25	48.23	167.67
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	113.19	6.25	48.23	167.67
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...				
5	Others, please specify	-	-	-	-
	Total	113.19	6.25*	48.23	167.67

*salary being paid from subsidiary company.

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure-IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Arshiya Limited.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Arshiya Limited** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing opinion thereon.

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company as per **ANNEXURE – I** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder,

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The other Laws applicable specifically to the company is Annexed with this Report as **ANNEXURE- II**

We have also examined Compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.
(ii) The Equity Shares of the Company Listed with the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and Complied with all requirements of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

i) The remuneration of ₹ 83,52,500/- paid/provided to Mr.Suhas Thakar, Executive Director, for the period commencing from 01.06.2013 to 31.03.2014, out of which ₹ 35,52,500/- was in excess of the limits prescribed under Section 198 read with Schedule XIII of the Companies Act, 1956. The Company has applied to the Central Government for approval of waiver of recovery of excess remuneration on 26th October, 2015.

ii) We also found from the reports and documents that the Company has defaulted in repayment of its debts due towards Banks/NBFC and Financial Institution.

iii) On 12th February, 2007 the Company had issued 4,00,000 warrants convertible into equivalent number of equity shares of ₹10/- each at a premium of ₹ 490/- per share to the Person resident outside India on 12th February, 2007 without prior approval of Foreign Investment Promotion Board (FIPB). However, on the application of the Company FIPB vide their letter dated 22nd January, 2013 had granted post facto approval for the aforementioned issue though subject to compounding by the Reserve Bank of India (RBI). An application to RBI for compounding has been filed by the Company.

iv) As per Provisions of Sec 203 of Companies Act, 2014 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint CFO as Key Managerial Personnel, Mr. Shyam Rathi ceased to be CFO w.e.f. 14th November, 2014 and Mr. V. L. Ganesh was appointed in his place w.e.f. 10th July, 2015 however Mr. V. L. Ganesh has resigned w.e.f. 19th February, 2016.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors. Thechanges in the composition of the Board of Directors that took place during the period under review.

Adequate notices were found while audit which are to be given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda at least seven days in advance, and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes.

We Further Report That there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

For Aabid& Co.

Place: Mumbai
Date: 25th May, 2016

(Mohammad Aabid)
Partner
FCS NO.:6579
C.P.No.:6625

Note: This report is to be read with our letter of even date which is annexed as '**Annexure-III**' and forms an integral part of this report.

ANNEXURE – I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31st March, 2015.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration committee, along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Agenda papers submitted to all the directors/members for the Board Meetings and Committee meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of Companies Act, 2013.
7. E-forms filed by the company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
8. Intimations / documents/ reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.

9. Statutory Registers viz.

- Register of Directors' & Key Managerial Personnel (KMP)
- Register of Members
- Register of Charges
- Register of contracts with related parties
- Register of Investments
- Register of loans, guarantee, security and acquisition made by the company

ANNEXURE – II

List of Applicable Laws to the Company

Registered Office:

302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai-400018, India

Under the Major Group and Head:

1) SEZ Act, 2005
2) Foreign Trade (Development & Regulation) Act, 1992
3) Foreign Trade Policy & Allied Acts
4) Income Tax Act, 1961
5) Customs Act, 1962

ANNEXURE-III

To,
The Members,
Arshiya Limited.

Our report of even date is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure– V

A. Information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a.) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

- Median remuneration of all employees for the financial year 2015-16 : ₹ 5,18,630/-
- Since none of the directors is being paid any remuneration hence aforementioned ratio for the financial year cannot be ascertained. Only Independent directors are paid sitting fee @ ₹ 20,000/- (Rupees Twenty Thousand only) per Board Meeting and @ ₹ 5,000/- (Rupees Five Thousand only) per Audit Committee meeting.

b.) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name of the Director/ KMP	percent ageincrease in remuneration during financial year 2015-16
Mr. Ajay S Mittal	NIL
Mrs. Archana A Mittal	NIL
Mr. Ashish Bairagra	NIL
Mr. Rishabh Shah	NIL
Mr. MukeshKacker	NIL
Prof. G. Raghuram	NIL
Mr. V. L. Ganesh	N.A.*
Ms. Savita Dalal	N.A.**

*appointed as CFO w.e.f. 10th July, 2015 and resigned w.e.f. 19th February, 2016
** appointed as Company Secretary w.e.f. 10th July, 2015

c.) The percentage increase in median remuneration of employees in the financial year 2015-16 : 6.54%

d.) The number of permanent employees on roll of the Company as on 31st March, 2016 : 144

e.) The explanation on the relationship between average increase in remuneration and company performance

- Since the Company is under severe financial crunch hence the average increment given to the employees is not very high and is only to match up with the current inflation rate.

f.) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

Particulars	Amount in ₹
Aggregate remuneration of KMP in financial year 2015-16	1,61,42,379
Revenue	64,28,33,494
Remuneration of KMP as percentage of revenue	2.51%
Profit/ (Loss) financial year 2015-16	(2,78,39,49,721)

g.) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year

Sr. No.	Description	Amount in ₹
1	**Market Cap Variation**	
	Market Cap at 31st March, 2016	4,51,35,86,741
	Market Cap at 31st March, 2015	5,16,08,93,616
	Variation in Market Cap in financial year 2015-16 (%age)	-64,73,06,875

2	**Price to Earnings ratio**	
	PE as at 31st March, 2016 (market price / EPS)	-147.29%
	PE as at 31st March, 2015 (market price / EPS)	-177.47%
	Variation in PE in financial year 2015-16 (% age)	-30.18%
3	**Percentage increase / (decrease) from last public offer**	
	IPO Price* per share (December 2007)	310/-
	Market Price as at 31st March, 2016	28.90/-
	Percentage (decrease) from last public offer	(90.68)

*The Company had issued 1,12,90,322 Equity Shares of ₹ 2/- each to QIB's (Qualified Institutional Buyers) on 20th December, 2007 at a price of ₹ 310/- per Share under Chapter XIII A of SEBI (DIP) Guidelines, 2000.

h.) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Average percentage increase in salary of the Company's employees was 9.43%. The total managerial remuneration for the financial year 2015-16 was ₹ 1,61,42,379 (Rupees One Crore Sixty One Lacs Forty Two Thousand Three Hundred Seventy Nine only) as against ₹ 77,79,230/- (Rupees Seventy Seven Lacs Seventy Nine Thousand Two Hundred Thirty only) during the previous financial year 2014-15.

i.) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

Since the Company is incurring losses hence remuneration of the Key Managerial Personnel against the performance of the company is not comparable.

j.) The key parameters for any variable component of remuneration availed by the directors: Not Applicable

k.) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable

l.) Remuneration is as per the remuneration policy of the company.

B. Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Employee Name	Designation	Educational Qualification	Age	Experience (in years)	DOJ	DOL	Gross remuneration Per Month (₹) Mar'15	Gross remuneration Per Month (₹) - Mar'16	Previous employment and designation
Rajesh Agarwal	Senior Vice President	B.E (CIVIL)	54	30.3	9-Aug-10	29-Jun-15	5,42,687	5,75,248	Reliance Industries Ltd. Vice President
Subhrarabinda Birabar	CEO	SYST.MGMT, B.SC, PGDIN ADVT & PR	43	22.11	2-Feb-15	17-Mar-16	10,00,000	10,00,000	Gammon Infrastructure Projects Limited Head - Port Sector
S Maheshwari	Group President	BE(MECH), MMS	51	27.1	15-Mar-16	-	-	14,58,333	Essar Steel India Ltd. Senior Vice President
V L Ganesh	Chief Financial Officer	B.A.ECONOMICS, DMS	58	30.11	16-Jun-15	19-Feb-16	-	6,66,667	Hotel Leela Venture Ltd. Director Finance & CFO

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMIC OVERVIEW

The Indian economy grew by 7.9 per cent in March quarter to consolidate India's position as the fastest growing major economy with a five-year high growth rate of 7.6 per cent for the full fiscal (2015-16) on robust manufacturing growth. The industry hopes that better monsoon and further reforms will help expand the economy at even a faster pace. According to the data released by the Central Statistics Office (CSO), the growth in manufacturing and farm sectors during the fourth quarter accelerated to 9.3 per cent.

The various measures that the government has been taking in the last couple of years is beginning to show results and overall there are greenshoots this year hopefully with good monsoon we should look at a growth closer to 8 per cent.

It is estimated that the economy would achieve close to 8 per cent growth in 2016-17, riding on the crest of strong macro-economic fundamentals, positive business sentiment and pro-growth monetary and fiscal policies.

There are plenty of bright spots during the year, auguring well for the future. Current account deficit and elevated inflation, both impediments to higher growth, have declined considerably. Falling oil prices, coupled with implementation of deregulations and reforms to boost investor confidence are welcome changes and are expected to provide a further impetus to growth. Increasing monetary easing, facilitated by ongoing moderation in inflation, is also likely to improve market sentiments.

The International Monetary Fund (IMF) predicts that India will emerge as the fastest growing major economy in the world. This boost in economic growth is expected to usher a new wave of consumers with considerable spending power, reviving demand, and boosting investments across the spectrum.

INDUSTRY OVERVIEW

The logistics industry in India is poised at a crossroads along its growth trajectory. This is particularly important at this juncture in light of the ongoing global economic uncertainty that has been impacting the Indian market to an extent. However, driven by strong fundamentals and consistent demand, the resilient Indian economy in general and the logistics sector in particular, are seemingly well-positioned to sail through turbulent global environment.

The industry comprises the following main segments:

- Freight and passenger transportation via road, rail, air and water
- Warehousing and cold-storage

The contribution from the movement of goods including freight transportation and storage is about 90 per cent. Aggregate freight traffic is estimated at about 2-2.3 trillion tons kilometers. Road dominates the mode of freight transport mix and constitutes about 60 per cent of the total freight traffic. Rail and coastal shipping account for about 32 per cent and 7 per cent respectively, while the share of inland waterways transportation and air is less than 1 per cent each.

Warehousing comprises industrial and agricultural storage of the total warehousing space of about 1,800 million sq.ft., the industrial and agricultural segments constitute about 86 per cent and 14 per cent respectively. Government organisations including Food Corporation of India, Central Warehousing Corporation and the state warehousing corporations account for about two-thirds of the agricultural warehousing segment. Warehousing also includes cold storage, most of which are concentrated in the states of Uttar Pradesh, Punjab and West Bengal. According to the Ministry of Agriculture, at present the cold chain capacity is about 9 million tonnes.

The logistics market in India is expected to grow at a CAGR of 12.17% by 2020 driven by the growth in the manufacturing, retail, FMCG and e-commerce sectors.

The Indian logistics industry spends around 14% of the GDP on different types of cost incurred in logistics operation. The amount of cost incurred is very high in comparison to the logistics cost incurred by different nations. As against the same, the cost incurred in developing countries is less than 8%. The logistics firms are moving from a traditional setup to the integration of IT and technology to their operations to reduce the costs incurred as well as to meet the service demands. The industry as a whole has moved from being just service provider to the position where they provide end to end supply chain solutions to their customers.

Rail transport

Rail freight segment contributes over 60 per cent to the total rail revenue. Freight movement via railways has grown at a CAGR of around 4.8 per cent from 794 million tons in 2007-08 to 1054 million tons in 2013-14.

The development of Dedicated Freight Corridors (DFC) covering the Eastern and Western regions of the country, spanning a total length of about 3300 km, would further boost the cargo movement through Rail.

Post the completion of the DFC project in 2018-19, DFCCIL expects freight traffic via the DFCs to increase to 182 MMT in 2021-22.

Warehousing and FTWZs

The warehousing market is highly fragmented with organised players holding only about 8 per cent of the total warehousing space in India; which indicates tremendous opportunity. Demand for modern warehouses is on the increase. They are equipped with tall designs, modular racking systems, palletisation and use of automation systems.

Free Trade Warehousing Zones (FTWZs) provide the flexibility of carrying out various types of transactions based on business needs. They can be used for transshipment, i.e. import from overseas into FTWZs and re-export with or without value addition; import from overseas to domestic tariff areas (DTAs) through FTWZs with or without value addition that allows vendor inventory management and just-in-time delivery; export from DTA/Export Oriented Units (EOUs)/other SEZs to overseas through FTWZs with or without value addition; export from overseas and DTA to FTWZ and re-export to overseas through FTWZs; and import from overseas to DTA through FTWZs with addition of domestic inputs at FTWZs.

INDUSTRY STRUCTRE AND DEVELOPMENTS

Global Logistics Industry

Currently the annual logistics cost of the world is about USD 3.5 trillion. For any country, the annual logistics cost varies between 9% and 20% of the GDP, the figure for the US being about 9%. Though most of the large LSPs are headquartered in Europe, the US logistics market is the largest in the world capturing one-third of the world logistics market.

The extant literature on the logistics industry points to a number of issues that service providers have to address, such as pricing pressures, high costs of operations and low returns on investments, hiring and retaining talent, pressure from clients to broaden the range of service offerings and internationalize operations, demand for customized solutions and more value-added services, besides infrastructural bottlenecks and government regulations.

Pressure from clients to broaden the range of service offerings and internationalize operations, has forced service providers to look for suitable alliances, mergers and acquisitions that help fill the gaps in service offerings and industry verticals and geographic areas served,achieve economies of scale and enhance service providers' capability to support international operations.

Recent trends in the logistics industry indicate that to be successful, service providers have to differentiate themselves from their competitors in terms of offering value-added services,focus on key customer accounts that have the potential to generate high profitability for a long term, enter into suitable alliances to complement the range of services offered and geographic areas served, and sell logistics services to clients' suppliers and customers, thus leading to complete supply chain integration.

The global logistics industry has registered significant growth in the last decade wherein the big driver has been the emergence on Third Party Logistics (3PL) and Fourth Party Logistics (4PL)players in industry who are expected to play a much more important role in the years to come.

In the United States (US), the Foreign-Trade Zones Act initiated the FTZ Programme as early as 1934. However, the Shannon Free Trade Zone in Ireland, which was established in 1959, is the world's first well-known free trade zone. Since then, these zones exist around the world under different names such as Foreign Trade Zones (US), Bonded Logistics Parks and Bonded Port Area Zones (China), Warehouse Transshipment Zones (Taiwan) and Logistics Complex (South Korea). These zones have changed over time. Today, free trade zones not only provide warehousing and logistics but also a number of value-added services such as labelling, Packing, Cutting, Strapping, Kitting, Bubble wrapping, Bottling, Consolidation, etc.

Developing countries with large consumer base, low-cost labour and cheap raw material, such as India are becoming attractive destinations for global companies to establish production networks.

Indian Logistics Industry

Present, market size of the industry is estimated at around $160 billion. Indian logistics industry comprises three segments including freight transportation via road, rail, air and water, warehousing and other value added services like third party logistics. The contribution from freight transportation and warehousing is above 90 percent of industry's total revenue. Road dominates the mode of freight transport mix and accounts for about 60 percent of the total quantity of freight traffic in India. Rail and coastal shipping account for about 32 percent and 7 percent respectively, while the share of inland waterways and airways transportation stand less than 1 percent each. Indian logistic industry is a highly fragmented and unorganized industry with thousands of players offering partial services in logistics.

The industry is growing at a fast pace and if India can bring down its logistics cost from 14% to 9% of the GDP (level in the US), savings to the tune of USD 50 billion will be realized at the current GDPlevel, making Indian goods more competitive in the global market. Moreover, growth in the logistics sector would imply improve service delivery and customer satisfaction leading to growth of export of Indian goods and potential for creation of job opportunities.

Traditionally Indian logistic industry is made of core service providers and contracts are issued for trucking, shipping, Inland Container Depot (ICD), Container Freight Station (CFS) etc. There is a gradual shift towards 3PL (providers who bundle services such as transport, warehousing, freight forwarding etc.) and 4PL (who work as business process providers; manage co-ordination with various 3PL). This shift is driven by global customers' demand for more control, higher technology and one-stop solutions for all logistics needs.

Nevertheless with the recent reforms, the retailers, manufacturers and e-commerce companies could use FTWZs to provide end-to-end services and generate enough business from manufacturers, exports, distributors and retailers. While e-commerce and especially cross-border e-commerce would be a demand driver for FTWZs, the primary business of FTWZs can expand and grow even without e-commerce, if India can offer a viable model for low-cost inventory management. The location for inventory for the global value chain is a competitive decision taken by the company and low cost drives this decision. Unless reforms are implemented, logistics and inventory management costs in India will continue to be high and India has to compete with countries such as Sri Lanka, which also has the advantage of low-cost labour.

Demand Drivers of the Sector

- **Growth fuelled by emergence of MNCs and organised retail**: The key driver of demand forworld-class logistics services is the growth of MNCs whose bottom line success requires low-cost manufacturing locations, connected to consuming markets through highly efficient supply lines. A comprehensive supply chain strategy is one that achieves flexibility, responsiveness and reliability with cost savings. Thus the growth in these MNCs increases the demand for efficient logistics services. Also the rapid growth of organised retail in India is increasing the demand for logistics services to support the industry.

- **Emergence and growth of 3PL & 4PL:** Third party logistics or 3PL is a concept where asingle logistics service provider manages the entire logistics function for a company. Whilethe Indian 3PL market is still very much in its infancy compared to other countries, it is experiencing healthy growth and attracting new companies eager to capitalise on the plentiful opportunities it offers.

- **Robust Trade Growth:** Strong economic growth and liberalisation have led to considerable increase in domestic and international trade volumes over the past five years. Consequently,the requirement for transportation, handling and warehousing is growing at a robust pace andis driving the demand for integrated logistics solutions.

- **Globalisation of manufacturing systems**: Globalisation of manufacturing systems along with advancements in technology is increasingly compelling companies across verticals toconcentrat e on their core competencies and avail the cost saving potential of outsourcing logistics function. This is expected to contribute to an increase in the need for integrated logistics solutions.

- **Streamlining of the indirect tax structure**: The standardisation of tax regimes across states isa welcome step for Indian logistics firms. Logistics firms have been facing difficulties because of several policies regarding local taxes and central sales tax. With thestandardisation of tax structure, 3PL logistics is expected to gain more market share.

OPPORTUNITIES

- Growth of the Logistics business is directly correlated with economic activity. Empirical evidence suggests that the Indian Logistics industry grows at 1.5-2x the GDP.

- With the Indian economy on a revival path, India's Logistics sector is poised for accelerated growth. Infrastructural bottlenecks that have stifled growth of the sector and have promoted inefficiency are being addressed.

- Building of the dedicated rail freight corridors, for instance, will help promote more efficient haulage of containerized cargo by rail. Logistics requirement for e-commerce will grow as exponentially as e-commerce.

- While economic growth itself presents a case for improved business prospects, there are multiple developments and trends for logistics enterprises to ride on. For CTOs, (a) Increasing containerization, (b) EXIM growth and (c) dedicated rail freight corridors are key volume growth triggers.

- Implementation of GST will be a game-changing event for businesses in general and organized logistics players. It would provide a boost to warehousing, supply chain management and 3PL business.

1. Increasing containerization

Container volume in India is expected to be 2x by 2020, driven by EXIM trade and an increase in containerization from the current 55% to >65% (versus developed countries' average of 70%). The containerization growth will be driven by:

i. Growth in the typical containerized cargo like electronics, textiles, food products, pharmaceuticals, machinery and paper and other break-bulk commodities like steel, cement, sugar and rice.
ii. Availability of rail transit capacity post DFCs commissioning, expansion in the container handling capacity at ports, CFCs, ICDs and inland waterways.
iii. Multi-modal logistics park development.
iv. Rail freight regulator to ensure no ad-hocism in the haulage charge changes.

2. Exim growth to drive CTO volumes

EXIM business accounts for >75% of CTO operators and is also a higher profitability business (higher volume, higher asset turn leading to higher RoCE) compared to domestic cargo movement.

EBIT margins in the EXIM segment are high at 21-25%, compared with 9-12% in the domestic segment.

The key reasons for this divergence are: (1) EXIM segment enjoys higher terminal handling revenue due to customs and clearance, (2) EXIM trade has more balanced up and down loads, leading to lower empties cost and (3) turnaround time for the domestic segment is high.

The north-western part of India accounts for >60% of EXIM trade, with JNPT alone handling ~42% of the container port traffic. Various industry estimates and implied growth led by likely GDP trajectory indicates doubling of the container volumes by 2019/20.

Traffic handling capacity of major ports has posted a CAGR of 13.4% from 504.7m tons in FY07 to 947m tons in FY12. During this period, most major ports operated at a capacity of over 90%.

3. Dedicated rail freight corridors

We expect CTOs to benefit significantly from the completion of planned dedicated freight corridors connecting Delhi to Mumbai in West India and Kolkata in East India. Also, DMIC (Delhi-Mumbai Industrial Corridor) will boost integration and development of India's manufacturing sector and logistics efficiency.

Dedicated freight corridor (expected to complete in 2018/2019, given the scale of the project should expect some delays) will improve the four key factors in train operations (a) Double stacking: Containers can be double-stacked on full route, currently available from Gujarat ports (b) Speed: Would increase from current average 25km/hr to >60km/hr (c) Load carrying capacity: Axle load to increase from 25MT to 32.5MT, enhancing track loading capacity from 8.67MT/mtr to 12MT/mtr (d) Length of trains: To increase from current 700 to 1,500m (but unlikely on the full stretch of the corridor)

Train frequency between key ports and ICD destination is expected to increase significantly. JNPT to Vadodara train's frequency could increase from 9 to 49, and Ahmedabad to Marwar train's frequency could increase from 15 to 72.

CTOs would benefit from higher asset utilization, cost savings and time savings, leading to higher volumes and profitability .

4. GST to usher consolidation and growth for organized players

Goods and Services Tax (GST) would (i) amalgamate a large number of Central and State taxes into a single tax, (ii) mitigate cascading or double taxation in a major way, and (iii) pave the way for a common national market. From the consumer point of view, the biggest advantage would be in terms of reduction in the overall tax burden on goods, which is currently estimated at 25%-30%. Introduction of GST would also make our products competitive in the domestic and international markets. Studies show that this would instantly spur economic growth. Last but not the least, this tax, because of its transparent character, would be easier to administer.

Implementation of a common nation-wide GST will be a game-changing event for businesses in general. The current indirect tax structure in India (mix of state and central government taxes) is akin to countries within the same country — inter-state goods movement is governed by state level tax structures, whereby operational and logistics efficiency takes a backseat.

Manufacturers have to maintain warehouses (cost share in logistics vary between 15-35%) in each state for economic (taxation structure) reasons, leading to wastage of infrastructure, manpower and increasing costs. The proposed GST will result in a unified market across India and manufacturers shifting to the hub and spoke model for goods delivery — goods delivery decision will be driven by logistics and operational efficiencies.

Share of organized players, particularly in the road transport segment is very minimal. GST coupled with gradual shift towards higher share of supply chain management business will benefit organized players to increase their market share.

Implications of GST

- **Government and corporate sector to benefit alike**: Corporate sector would benefit from simplification of the tax structure, uniformity of treatment across states, much wider applicability of input tax credit, lower compliance cost of litigation due to elimination of multiple categories and resultant disputes over definition (most notably the distinction between goods and services). For the government, both Centre and States, they will benefit from higher tax collection.

- **Supply chain management to get a boost**: Currently, significant amount of time is lost at the numerous check points at the state borders resulting in increase of cost as well as travel time. Apart from taxation, these long lead times to supply goods have also forced manufacturers to keep large number of warehouses. Elimination of checkpoint time will result in manufacturers realigning their distribution strategy to make it more logistically efficient and many will outsource the activity to logistics companies (similar to developed countries) to focus on the core business.

- **Organized sector to get a boost:** In the current tax structure, tax credit is not available for all taxes post manufacturing. Availability of tax credit under GST will increase engagement of organized players as the manufacturer and purchaser will get the tax credit benefit. Incentives to stay outside the tax system will reduce, thereby minimizing the economic advantage of unorganized players

- **GST to promote hub-and-spoke model**
  The warehousing business, in particular will witness significant metamorphosis – from small warehouses spread across the country to large, global-size warehouses concentrated in a few hubs. Industry reports estimate 9% CAGR in warehousing area in India in the next five years to 1,440msf (addition of 520msf).

5. Cold chain has emerged a niche logistics growth area for organized players

India is amongst the least cold chain adoption countries, implying huge potential. Organized players have a huge growth opportunity in this space given the 6-7% share in the cold chain warehousing segment and 15-20% share in temperature controlled transportation.

Cold chain logistics also known as temperature controlled logistics (TCL) business includes (a) warehousing services to store at temperatures ranging from -25ºC to +20ºC and distribution through temperature controlled containerized trucks and cargo trains.

Existing cold chain warehousing capacity in India is estimated at 30m tonnes and 7-8,000 reefer vehicles, with majority of the facilities in UP (41%) and West Bengal (33%) followed by Punjab (6%), Gujarat and Bihar. 75% of the warehousing capacity is used by potatoes, ~2% for meat/seafood and the rest is for multipurpose products

Expect high growth:

Indian cold chain logistics industry size is estimated at ~INR150b with an expected growth rate of 15-20% in the medium term to reach ~INR250b by FY18. Key growth enablers include demand growth and aptly aided by government incentives for investments. Some of the key product categories transported through this route include dairy, poultry/meat/seafood, ready-to-eat, chocolates, pharmaceuticals, industrial products, and fruits and vegetables.

6. 'Make in India' initiative to boost manufacturing sector and augurs well for Logistics

The Indian government launched the "Make in India" campaign to facilitate investment, foster innovation, protect intellectual property and build best-in-class manufacturing infrastructure in India. This campaign aims to make a sea change in the government's attitude to reposition itself as a true business partner and not as a permit issuing authority. It pervades different sectors and will lead to significant investments and growth in the domestic manufacturing sector. Though it is too early to quantify any benefit, it is imperative that it will give a meaningful boost to the Logistics sector, given the scale of the initiative.

THREATS

- Logistics is a high-cost, low-margin business. The problem of organized players is compounded by unfair competition with unorganized players, who can get away without paying taxes and following operating norms.

- Economies of scale are absent in the Indian logistics industry. Even the organized sector thatcontributes slightly more than 1% of the logistics cost, is highly fragmented.

- Existence of the differential sales tax structure also brought in diseconomies of scale. Though VAT (Value Added Tax) has been implemented since 1st April, 2005, failure in implementation of a uniform VAT structure across different states has let the problem persist even today.

- Apart from the non-uniform tax structure, Indian LSPs have to pay numerous other taxes, octrois, and face multiple check posts and police harassment. High costs of operation and delays involved in compliance with varying documentation requirements of different states make the business unattractive.

- There is lack of trust and awareness among Indian shippers with regard to outsourcing logistics. The volume of outsourcing by Indian shippers is presently very low (~ 10%) compared to the same for the developed countries (> 50%, sometimes as high as 80%). The unwillingness to outsource logistics on part of Indian shippers may be attributed to skepticism about the possible benefits, perceived risk, and losing control, of sensitive organizational information, and vested interests in keeping logistics activities in-house.

- Indian shippers expect LSPs to own quality assets, provide more value-added services and act as an integrated service provider, and institute world-class information systems for more visibility and real-time tracking of shipments. However, they are unwilling to match the same with increased billings; even pay little attention to timely payments that leave LSPs short of adequate working capital.

- Poor physical and communications infrastructure is another deterrent to attracting investments in the logistics sector. Road transportation accounts for more than 60% of inland transportation of goods, and highways that constitute 1.4% of the total road network, carry 40% of the freight movement by roadways. Slow movement of cargo due to bad road conditions, multiple check posts and documentation requirements, congestion at seaports due to inadequate infrastructure, bureaucracy, red-tapeism and delay in government clearances, coupled with unreliable power supply and slow banking transactions, make it difficult for exporters to meet the deadlines for their international customers.

- Container transportation charges through railways in India areamong the highest in the world and can have an unfavorable impact on the growth of the container business. Besides this, in road transportation, whenever there is a sudden rise indemand

of a certain product,transporters make alliances and overcharge customers due tolack of suitable regulations. This increases the overall logistics costs.

Key Issues

- **Inadequate infrastructure, sub-optimal port scale:** Despite being a more economical mode of goods transport, railways in India has lost market share in freight movement to roads in the last few decades due to huge under-investments, leading to capacity constraints. Compared to other countries, India's rail share in goods transport is 31% versus ~60% in 1980's and 48% in 1990's. Indian Railways, uses freight earnings to cross-subsidize the losses in its passenger service operations, thereby resulting in higher tariff for freight operations.

- **Sub-optimal port scale**: All major ports in India are facing capacity constraints both on the front-end and back-end, and operations remain highly inefficient. This has led to the strong emergence of minor ports, mainly on the west coast to cater to the increasing traffic growth.

- **Lack of last mile connectivity**: Lack of coordination in infrastructure development leads to interconnectivity issues among different modes of transport. This leads to delays and unreliability in services, which increases cost, reduces competitiveness, and discourages investments.

- **Administrative delays**: A country's competitiveness is judged by the ease of doing business, and logistics play a vital role in the same. Despite being a relatively low cost country, logistics cost in India tends to be higher due to administrative delays led by paper work (resulting in huge inventory investments and wastages) and complex tax structure.

- **Low penetration of new technology:**In supply chain process is resulting in damage of goods. India has least warehouse capacity with modern facilities, and given the fragmented industry state (large share with unorganized players), investment in IT infrastructure is almost absent at required scale.

OUTLOOK

In the Fiscal Year (FY)2015-16, India's GDP grew by 7.5 per cent following a 7.2 per cent growth rate in the previous year. This is the fastest growth achieved in the last 5 years. With a growth of 7.5 per cent in FY2015-16, expecting to touch 8 per cent in the current year on the back of good monsoon, India is considered the world's fastest-growing large economy. The International Monetary Fund (IMF) predicted that India would retain the status of fastest growing economy until 2020.

India's logistics sector is poised for accelerated growth, led by GDP revival, ramp up in transport infrastructure, e-commerce penetration, impending GST implementation, and other initiatives like 'Make in India.' This offers opportunities across the spectrum for companies in transportation, storage, distribution, and allied services.Empirical evidence suggests the Indian logistics industry grows at 1.5-2 times the GDP growth. Moreover, infrastructural bottlenecks that have stifled sector's growth and promoted inefficiency are being addressed by the government.

Building of dedicated rail freight corridors will promote efficient haulage of containerised cargo by rail. One key advantage of the dedicated freight corridor is that freight trains could be run on time tables similar to passenger trains, and the frequency can be theoretically increased to one train in 10 minutes. This will reduce time for goods transportation between Mumbai and Delhi to 18 hours from 60 hours now.

Also, setting up of various industrial corridors along the dedicated freight route will metamorphose the warehousing business from small warehouses spread across the country to large, global-size warehouses concentrated in a few hubs.

The proposed new goods and services tax (GST) regime and e-commerce will alter the landscape in warehousing, supply chain management and third party logistics business. GST implementation will be a game-changing event for businesses and particularly for organised logistics players.

RISKS AND CONCERNS

Risk Management

The company has in place a robust risk management framework with overall governance and oversight from the Audit Committee and Board of Directors. Risk Assessment is conducted periodically and company has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives. Risk Assessment is a combination of bottom-up and top-down view of key risks facing the business across all segments and functions. All the risks are reviewed and assigned probability of materialization and potential impact based on deliberations with business leaders and independent assessment. Mitigation plans are designed, implemented and monitored accordingly.

Key business risks and mitigation strategy are highlighted below.

1. **Strategic Risk**
   Strategic Risk is defined as the failure to develop and implement appropriate business plans, products, and services on a timely basis. Strategic planning is conducted by the Board of Directors for Arshiya on an annual basis. Management prepares a Business Plan, complete with operational planning and budgets each year, based upon the planning completed by the board.

2. **Operational Risk**
Operational Risk is the risk of loss resulting from inadequate or failed human performance, processes or technology. Arshiya is exposed to a broad range of operational risks including talent acquisition, retention, technology/systems failures, fraud/theft/ misappropriation of assets, business disruption and information/ privacy breaches. Arshiya manages operational risk through extensive policies, procedures and internal controls related to human resources, information technology development and change management and business operations. Management has a performance management system in place to segregate duties and responsibilities of employees. The internal audit service inspects operational risk and reports the findings directly to the Audit and Risk Committee to give an independent perspective of risk.

3. **Concentration risks**
To mitigate the risk arising from high dependence on any one or few customers/products for revenues, the Company has adopted a strategy of diversifying in new products/services and into different business segments. To address the risk of dependence on a few large clients and a few sectors in the business segments, the Company has also actively sought to diversify its client base and industry segments.

The Company strives to add value to its clients by providing services of a superior quality, and maintaining a robust relationships with its customers, to mitigate the risk arising from slowdown in global economy and competitive pricing. Repeat business from large clients, nevertheless, continues to contribute significantly to revenue.

4. **Competition Risk**
Competition risk is the risk that the company is not able to build or maintain sustainable competitive advantage in a given market or markets. This risk can arise where changes in opportunities, threats and other conditions in the Warehousing and Logistics industry, and the capabilities of competitors threaten the profitability or long-term viability. Arshiya manages competition risk by developing strategic plans through consideration of an external assessment which provides an analysis of competitors, evolving developments in the Logistics, economic outlook and industry growth expectations. To mitigate Competition risk, Arshiya's management continues to enhance its sales and services capabilities, fulfilment strategies, and actions its Customers concerns aggressively.

5. **Legal & Regulatory Risk**
Legal & Regulatory Risk is defined as the risk which arises from potential non-compliance with laws, rules, regulations, or ethical standards. It also encompasses the risk of a change in regulations and law that might affect an industry or a business. Such changes in regulations can make significant changes in the framework of an industry, changes in cost-structure, etc.

Arshiya operates in a regulated environment with plethora of laws and regulations applicable to it. The company has well established structure, policies, and procedures to assist in the compliance with laws and regulations. Primary responsibility for compliance with all applicable regulatory requirements rests with the Senior Management Team and extends to all teammates. Business units manage day-to-day regulatory and legal risk primarily through the implementation of appropriate policies, procedures and controls. At times, the company also contract outside resources to assist in this area.

6. **Foreign exchange earning risk**
The company's foreign currency revenue earnings are significant and any appreciation or depreciation in the rupee can have an impact on its revenue and profitability. The company has in place a well-defined hedging policy and process designed to minimize the impact of volatility in foreign exchange fluctuations on earnings. The hedging programme covers a large portion of projected future revenue over a 6-month period and is restricted to standard forward contracts and options. Overall, the company has not faced any significant negative impact on profitability on account of currency fluctuation.Appropriate internal controls are in place for monitoring the hedging programme.

7. **Human resource attrition risk**
Arshiya's key assets are its employees and in a highly competitive market, attrition continues to be one of the key challenges. The Company continues to accord top priority to managing employee attrition by formulating talent retention programme and offering a competitive salary and growth path for talented individuals.

8. **Technology - related risks**
Information Technology is core to the operations of all business segments. All technology services are governed through comprehensive policies and processes. These processes allow information access to personnel within the company based on identified roles. Audits are conducted regularly to ensure that implementation of policies and processes are satisfactory and in line with internationally accepted best practices. The company's business processes are automated to capture and maintain information regarding business processes, client agreements, reports generated and assignments delivered, thus creating adequate database for our knowledge appropriately. The technology used by the company at all locations provides for redundancy and for disaster recovery. The technology department keeps abreast of changes, and suitably undertakes projects for technology upgradation to keep the infrastructure current, and to provide for redundancy.

9. **Emerging Risk**
The Senior Management Team is accountable for identifying and reporting on risks that may develop over time. While these risks may not be specifically actionable now, they require monitoring as they may impact Arshiya's operations. Emerging risks are currently identified through the knowledge and experience of senior management and incorporated within our Business Plan and Strategic Plan as appropriate.

Concerns

A comparison with other countries shows inefficiencies are high in the Indian logistics sector. Infrastructural bottlenecks across modes (rail, road, waterways) have stifled the sector's growth.

Capacity constraints and inefficiencies can be noted from the high transit time in rail as key train routes operate at >110% utilisation, thus leading to an average speed of 25 km per hour. The road sector is fraught with inadequate and low-quality highway availability, thereby limiting the trucks' size and impacting economies of operation.

Despite being an economical mode of transport, railways has lost market share in freight movement to roads in the last few decades due to capacity constraints. Compared to other countries, India's rail share in goods transport is 31%, which has come down from 60% in 1980s and 48% in 1990s.

Another key constraint is administrative delays. Despite being a relatively low-cost country, logistics cost in India is higher due to administrative delays led by paper work leading to huge inventory investments and wastage and a complex tax structure.

Also, low penetration of new technology in the supply chain process is resulting in damage of goods. India has the least warehouse capacity with modern facilities, and given the fragmented industry state (large share with unorganised players), investment in IT infrastructure is almost absent at required scale.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a well-established framework of internal controls in place, supported by policies, guidelines and procedures, including suitable monitoring procedures. In addition to external audit, the financial and operating controls of the Company are reviewed regularly by the Internal Controls and Audit team as per the annual plan approved by the Audit Committee.

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorised, recorded and reported correctly. Such internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. These are designed to ensure that financial and other records are reliable for preparing financial information and other reports and for maintaining regular accountability of the Company's assets. The internal auditorspresent their report on a quarterly basis to the Audit Committee of the Board. All significant audit observations along with corrective actions thereon are tracked for resolution by the Internal Audit and Controls function and the same is communicated to Audit Committee.

The CEO and CFO certification provided in the CEO and CFO certification section of the Annual Report discusses the adequacy of our internal control systems and procedures.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the company is discussed in the director's report, however segmental performance of the Company on a consolidated basis is as under:

(Amount in ₹)

Particulars	Turnover		Y-to-Y	
	2015-16	2014-15	increase/ (decrease)	%
FTWZs/ICD	1,11,11,77,876	85,89,69,472	25,22,08,404	29.36%
Rail Transport Operations	1,97,58,54,641	2,38,23,90,187	(40,65,35,546)	-17.06%
Unallocated	-	9,44,185	(9,44,185)	-100.00%
Total turnover	**3,08,70,32,517**	**3,24,23,03,844**	**(15,52,71,327)**	**-4.79%**
EBIDTA	**56,27,62,728**	**34,96,21,251**	**21,31,41,477**	**60.96%**

Total income [decreased] by (4.79%) from ₹ 3,24,23,03,844/- in 2014-15 to ₹ 3,08,70,32,517/- in 2015-16.

EBIDTA Increased by 60.96 % from Profit of ₹ 34,96,21,251/- in 2014-15 to Profit of ₹ 56,27,62,728/- in 2015-16.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Directors' have apprised about the material developments in human resources in the Directors' Report. Further, the Company had employed 144 employees during the year under review.

CAUTIONARY STATEMENT

Certain statements made in the management discussions and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on, whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on, over which the Company does not have any direct control.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth. Your Company continuously endeavours to uphold the values of transparency, integrity, professionalism and accountability, and improve upon these aspects on an ongoing basis to help the Company move forward.

CORPORATE GOVERNANCE FRAMEWORK

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as leadership and governance of the Company. The framework ensures effective engagement with our stakeholders and help us to be guided by our core values, and the same time allows us to do more and be more for our stakeholders.

The Securities Exchange Board of India has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) on 2nd September, 2015 (effective from 1st December, 2015), replacing the earlier Listing Agreement and is aimed to consolidate and streamline the provisions of earlier Listing Agreements for different segments of capital market viz. Equity, Debentures, Debt Instruments etc. The Company adopted the best practices for adhering to the applicable regulatory framework.

We firmly believe that an active, well-informed and independent board is necessary to ensure higher standard of Corporate Governance and to bring objectivity and transparency in the management and in the dealings of the Company. As on 31st March, 2016, the Board consist of six Members of which four are independent directors.

1. BOARD OF DIRECTORS

a) Composition of Board:

We believe that our Board needs to have an appropriate mix of Executive and Independent Directors to maintain its independence and separate its functions of governance and management. Our Board has an optimum combination of Promoter Director and Non-Executive Independent Directors, who are from diverse fields and have in-depth knowledge of the business and industry.

As at 31st March, 2016, our Board consist of Six Members with Promoter Director as Chairman and Managing Director, One Woman Director, and Four Non-Executive Independent Directors. The composition of our Board is in conformity with the requirements of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Role of Board of Directors:

The primary role of Board is that trusteeship to protect and enhance Stakeholders value through strategic direction to the Company. As trustees, the Board has fiduciary responsibility to ensure that the company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgement. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also directs and exercises appropriate control to ensure that the company is managed in a manner that fulfils stakeholders' aspirations and societal expectations.

c) Board Membership Criteria:

The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors / areas relevant to the company, and ability to contribute to the company's growth.

d) Attendance at Board Meetings:

During the year under consideration eight meetings of the Board were held on 21st April, 2015; 15th May, 2015; 10th July, 2015; 30thJuly, 2015; 29th September, 2015; 27th October, 2015; 21st November, 2015; and 2nd February, 2016.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below. Other Directorships do not include directorships in Private Limited Companies, Section 8 Companies and Companies incorporated outside India. Chairmanships of Board Committees include only Audit and Share Transfer and Investor Relations Committee.

Sr. No.	Name of the Director	Category	Number of Board meeting during the Year 2015 - 2016 Director's Attendance		Director ships in other Public Companies	Membership / Chairmanship of Committees in other Public Companies		Attendance at the A.G.M Held on 10th July, 2015
			Held	Attended		Chairman	Membership	
1	Mr. Ajay S Mittal	PD	8	8	9	1	7	Present
2	Mrs. Archana A Mittal	WPD	8	4	4	-	0	Absent
3	Mr. Ashish Bairagra	NEI	8	8	7	6	8	Present
4	Mr. Rishabh Shah	NEI	8	8	4	2	8	Present
5	Prof. G. Raghuram	NEI	8	4	4	-	6	Present
6	Mr. Mukesh Kacker	NEI	8	7	1	-	-	Absent

PD: Promoter Director, WPD: Woman Promoter Director, ED: Executive Director: NEI: Non-Executive Independent Director

e) Independent Directors:

The Company abided by definition of " Independent director" as per the Provision of Section 149 (6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 . The company has obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

f) Separate Meeting of the Independent Directors:

Schedule IV of the Companies Act, 2013 and the Rules under, it mandate that the independent directors of the Company hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. It is recommended that all the independent directors of the Company be present at such meetings.

The Independent Directors held a Meeting on 30th July, 2015, without the attendance of Non-Independent Directors and Member of Management. All the Independent Directors were present at the meeting.

g) Training of Independent Directors:

Whenever new Non-Executive and Independent Director(s) are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risk and management strategy and related matters are available on our website http://www.arshiyalimited.com/assets/pdf/familarisationprogrammes20160407103729.pdf.

A formal letter of appointment to Independent Director(s) as provided in Companies Act, 2013 has been issued at the time of their appointment and is available on our website http://www.arshiyalimited.com/investors/Corporate_Governance.

h) Performance Evaluation:

One of the Key functions of the Board is to monitor and review the board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of executive/ non-executive/ independent directors through a peer- evaluation excluding the director being evaluated through a survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy and the effectiveness of the whole Board and its various Committees.

i) Materially significant related party transactions:

There have been no materially significant related party transactions, monetary transactions or relationship between the Company and its directors, the management, subsidiaries or relatives.

2. COMMITTEES

Currently, the Board has six committees: Audit Committee, Nomination and Remuneration Committee, Share Transfer, Investor Grievances and Stakeholders Relationship Committee, Committee of Directors, Risk Management Committee and Corporate Social Responsibility Committee.

A. AUDIT COMMITTEE

The Company has an Audit Committee in compliance with the provisions of Section 177 of the Companies Act 2013 and regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Committee comprises of 2 Non Executive Independent Directors and 1 Promoter Executive Director as on 31st March, 2016:

(i.) Mr. Ashish Bairagra - Chairperson

(ii.) Mr. Ajay S Mittal - Member

(iii.) Mr. Rishabh Shah - Member

The Chairman of the Audit Committee was present at the Annual General Meeting held on 10th July, 2015 to answer Member's queries.

The meetings of Audit Committee are also attended by Statutory Auditors and Internal Auditors as special invitees. The Committee also invites such of the other Directors or Executives as it considers appropriate to be present at the meeting. The Company Secretary/ Compliance Officer acts as the secretary to the Committee. Minutes of each Audit Committee meeting are placed before, and when considered appropriate, are discussed in the meeting of the Board. The Audit Committee, inter-alia, reviews the adequacy of the internal control functions, and reviews the Internal Audit reports including those related to Internal Control weaknesses, if any. The Audit Committee is provided with necessary assistance and information to carry out their functions effectively.

The primary objective of the Audit Committee is to monitor and provide supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The Audit Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the independent auditors and notes the processes and safeguards employed by each of them. All recommendation made by the Audit Committee was accepted by the Board.

Audit Committee Attendance:

During the year, the Audit Committee met Six times on14th May, 2015; 29thJuly, 2015; 26thOctober, 2015; 1stFebruary, 2016; 18th February, 2016 and 19th March, 2016.

Details of meetings attended by its members are given below:

Sr. No.	Name of Members	No. of meetings held	No. of meetings attended
1.	Mr. Ashish Bairagra - Chairman	6	6
2.	Mr. Rishabh Shah - Member	6	6
3.	Mr. Ajay S Mittal - Member	6	4

Powers and Terms of Reference of the Committee:

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audit of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies. The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors. The Committee, inter - alia, performs the following functions:

1	Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.	
2	Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.	
3	Approval of payment to statutory auditors for any other services rendered by them.	
4	Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:	
	a.	Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 (5) of the Companies Act, 2013.
	b.	Changes, if any, in accounting policies and practices and reasons for the same.
	c.	Major accounting entries involving estimates based on the exercise of judgment by management.
	d.	Significant adjustments made in the financial statements arising out of audit findings.
	e.	Compliance with listing and other legal requirements relating to financial statements.
	f.	Disclosure of any related party transactions.
	g.	Qualifications in the draft audit report.
5	Reviewing, with the management, the quarterly financial statements before submission to the board for approval.	
6	Reviewing, with the management, the statement of uses / application of funds as and when raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.	
7	Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.	
8	Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.	
9	Discussion with internal auditors on any significant findings and follow up thereon.	
10	Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.	
11	Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.	
12	To look into the reasons for substantial defaults if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.	
13	To review the functioning of the Whistle Blower mechanism, in case the same is existing.	
14	Carrying out any other function as is assigned to the Audit Committee.	
15	Such other powers and duties as may be required to be included in terms of Listing Agreement amended from time to time.	

B. NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013, the Company have a duly constituted Nomination and Remuneration Committee. The Nomination and Remuneration Committee comprises of Three Independent Directors as on 31st March, 2016.

(i.) Mr. Ashish Bairagra - Chairman

(ii.) Mr. Rishabh Shah - Member

(iii.) Prof. G. Raghuram - Member

The purpose of the Committee is to screen and to review individuals qualified to serve as executive directors, non-executive directors and independent directors, consistent with criteria approved by the Board, and to recommend, for approval by the Board, nominees for election at the AGM.

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013, besides other terms as referred by the Board of Directors. The terms of reference of the Committee inter-alia, include the following:

- Succession planning of the Board of Directors and Executive Committee;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Nomination for election or re-election by the shareholders, and any Board vacancies that are to be filled.
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and Members of the Executive Committee and their remuneration;

- Review the performance of the Board of Directors, Key Managerial Personnel and Members of the Executive Committee based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors, Key Managerial Personnel and Executive Committee Members, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

It also reviews and discuss all the matters pertaining to candidates and evaluates the candidates. The Nomination and Remuneration Committee coordinates and oversees the annual self-evaluation of the Board and of individual directors. It also reviews the performance of all Executive Directors on a half-yearly basis or at such intervals as may be necessary on the basis of detailed performance parameters set for each executive director at the beginning of the year. The Nomination and Remuneration Committee may also regularly evaluate the usefulness of such performance parameters, and make necessary amendments.

The Nomination and Remuneration Policy is available on our website http://www.arshiyalimited.com/assets/pdf/nomination-and-remuneration-policy20160407103702.pdf.

Nomination and Remuneration Committee attendance

During the year, the Nomination and Remuneration Committee met twice on 14th May, 2015 and 15th June, 2015.

Details of meetings attended by its members till 31st March, 2016 are given below:

Sr. No.	Name of Members	No. of meetings held	No. of meetings attended
1.	Mr. Ashish Bairagra - Chairman	2	2
2.	Mr. Rishabh Shah - Member	2	2
3.	Prof. G. Raghuram - Member	2	0

Nomination and Remuneration Committee Report for the Financial Year Ended March 31, 2016

During the year, the committee discussed the retirement of the Board according to statutory requirements. As per the provisions under the Companies Act, 2013, independent directors are not liable to retire by rotation. As such, none of the independent directors will retire at the ensuing AGM. Further, following provisions of Companies Act, 2013, Mr. Ajay S Mittal – Chairman and Managing Director will retire in the ensuing AGM. The Committee considered his performance and recommended that the shareholders may consider the necessary resolutions for re-appointment of Mr. Ajay S Mittal. As required, a brief profile and other particulars of the Director seeking re-appointment is given in the Notice of the 35th Annual General Meeting.

During the year Committee has also recommended to the Board, the appointment of Mr. VL Ganesh as CFO and Compliance Officer of the Company. Further, the committee has also recommended the appointment of Ms. Savita Dalal as Company Secretary and Compliance Officer of the Company.

Remuneration paid to Directors

Your Company benefits from the professional expertise and invaluable experience of the Independent Directors in their individual capacity as competent professionals/business executives in achieving corporate excellence. During the period, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors. The Company has not granted any stock options to any of its Non-Executive Directors.

Details of Sitting Fees to Non-executive Independent Directors for the year ended 31st March, 2016 are given below:

Sr.No.	Name of Director	Sitting Fees paid (₹)	No. of shares held (Face Value ₹ 2/- each)
1.	Mr.Ashish Bairagra	1,90,000	Nil
2.	Mr.Rishabh Shah	1,90,000	7,955
3.	Prof. G. Raghuram	80,000	Nil
4.	Mr.Mukesh Kacker	1,40,000	Nil

C. SHARE TRANSFER, INVESTOR GRIEVANCES AND STAKEHOLDERS RELATIONSHIP COMMITTEE

The Share Transfer, Investor Grievances and Stakeholders Relationship Committee oversees, *inter-alia*, redressal of shareholder and Investor Grievances, Transfer/ Transmission of Shares, Issue Of Duplicate Shares, Exchange of New Design Share Certificates Recording Dematerialisation/ Rematerialization of Shares and related matters.

According to Sec. 178(5), the Chairperson of the Committee shall be a Non-Executive Director and it shall comprise of such other members as may be decided by the Board Directors from time to time. The Company Secretary / Compliance Officer of the Company shall be the Secretary of the Committee.

Our Share Transfer, Investor Grievances and Stakeholders Relationship Committee comprises of three independent directors as on 31st March, 2016.

(i.) Mr. Rishabh Shah - Chairman

(ii.) Mr. Ashish Bairagra - Member

(iii.) Prof G. Raghuram - Member

Share Transfer, Investor Grievances and Stakeholders Relationship Committee Attendance:

During the year, the Share Transfer, Investor Grievances and Stakeholders Relationship Committee met four times on 14th May, 2015; 29th July, 2015; 26th October, 2015 and 1st February, 2016.

Details of meetings attended by its members till 31st March, 2016 are given below:

Sr. No.	Name of Members	No. of meetings held	No. of meetings attended
1.	Mr. Rishabh Shah - Chairman	4	4
2.	Mr. Ashish Bairagra - Member	4	4
3.	Mr. Ajay S Mittal- Member	4	4

SEBI Complaints Redressal System (SCORES):

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

Name and Designation of Compliance Officer:

Ms. Savita Dalal, Company Secretary and Compliance Officer (Appointed w.e.f 10th July, 2015)

Status of Investors Complaints

The details of the complaints resolved during the financial year ended 31st March, 2016 are as follows:

Nature of Complaints	Received	Resolved	Closing
Annual Report related	3	3	0

Shareholding in Demat form

The shareholding in dematerialized mode as on 31st March, 2016 was 98.29% (97.78% as of 31st March, 2015).

D. COMMITTEE OF DIRECTORS

The Committee of Directors has been delegated with various power of the Board to enable the Management to take various timely decision in the best interest of the Company and for smooth functioning of the operation of the Company. The Company Secretary/ Compliance Officer of the Company shall be the Secretary of the Committee.

The Committee of Directors comprises of 2 Non Executive Independent Directors and 1 Promoter Executive Director as on 31st March, 2016:

(i.) Mr. Ajay S. Mittal - Chairman

(ii.) Mr. Ashish Bairagra - Member

(iii.) Mr. Rishabh Shah - Member

The primary objective of this Committee is to monitor the various day to day functions of the operation of the company. As it has been delegated with various powers of the Board it ensures accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. Further it also review the performance of the management of the company and guide them accordingly.

Committee of Directors Attendance

During the year Committee of Directors met Twice: 19th March, 2016 and 30th March, 2016.

Sr. No.	Name of Members	No. of meetings held	No. of meetings attended
1.	Mr. Ajay S Mittal - Chairman	2	2
2.	Mr. Ashish Bairagra - Member	2	2
3.	Mr. Rishabh Shah - Member	2	2

E. RISK MANAGEMENT COMMITTEE

The purpose of the Committee is to assist the Board in fulfilling its Corporate Governance duties by overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risk. The Risk Management Committee has overall responsibility of monitoring and approving the risk policies and associated practices of the Company. The Risk Management Committee is also responsible for reviewing and approving the risk document statement in public documents and disclosures. The Risk Management Policy is available on our website http://www.arshiyalimited.com/assets/pdf/risk-management-policy20160407103904.pdf.

The Committee of Directors comprises of 2 Non Executive Independent Directors and 1 Promoter Executive Director as on 31st March, 2016:

(i) Mr. Ajay S Mittal - Chairman

(ii) Mr. Ashish Bairagra - Member

(iii) Mr. Rishabh Shah - Member

Risk Management Committee Attendance

During the year Risk Management Committee met on 2nd February, 2016.

Details of meeting attended by its members are given below:

Sr. No.	Name of Members	No. of meeting held	No of meeting attended
1.	Mr. Ajay S Mittal	1	1
2.	Mr. Ashish Bairagra	1	1
3.	Mr. Rishabh Shah	1	1

Role

The Committee is entrusted with the responsibility to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities. An enterprise wide risk management framework is applied so that effective management of risks is an integral part of every employee's job. Risk Management Committee is entrusted with following tasks:

1. Providing a framework that enables future activities to take place in a consistent and controlled manner;
2. Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats;
3. Contributing towards more efficient use/allocation of the resources within the organization;
4. Protecting and enhancing assets and company image;
5. Reducing volatility in various areas of the business;
6. Developing and supporting people and knowledge base of the organization;
7. Optimizing operational efficiency.

F. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

Our CSR Committee comprised of an independent director as chairperson and two Promoter executive directors as members as on 31st March, 2016:

(i)	Mr. Rishabh Shah	-	Chairman
(ii)	Mrs. Archana A Mittal	-	Member
(iii)	Mr. Ajay S Mittal	-	Member

This committee shall be responsible for overseeing the activiti es / functioning of Arshiya Cares and such other activities, as mentioned in Schedule VII to the Companies act, 2013, which shall be undertaken upon the applicability of such other provisions of companies act, 2013 under section 135 and rules made thereunder, including amendments if any to the same.

The CSR policy of the company is available on our website at http://www.arshiyalimited.com/arshiya/assets/pdf/csr-policy_120160620105217.pdf.

During the year CSR Committee met on 2nd February, 2016.

Details of meeting attended by its members are given below:

Sr. No.	Name of Members	No. of meeting held	No of meeting attended
1.	Mr. Rishabh Shah	1	1
2.	Mrs. Archana A Mittal	1	1
3.	Mr. Ajay S Mittal	1	1

Role

The responsibilities of the CSR Committee include:

- Formulate and update our CSR Policy, which will be approved by the Board of Arshiya Limited
- Suggest areas of intervention to the Board of Arshiya Limited
- Approve projects that are in line with the CSR policy
- Put monitoring mechanisms in place to track the progress of each project
- Recommend the CSR expenditure to the Board of Arshiya Limited who will approve it
- Meet at-least twice in a year to review the progress made
- Monitoring CSR activities from time to time.

The total budget for the CSR projects will be decided by the CSR Committee and will be in line with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and other applicable provisions thereof as and when applicable.

3. GENERAL BODY MEETINGS

a) Location, time and date where last three Annual General / Extra Ordinary General Meetings/Postal Ballot were held are given below:

Financial Year	Date and Time	Venue
2014-15	AGM – 10th July, 2015 at 3.00 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018
2013-2014	AGM – 10th September, 2014 at 3.00 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018
	EGM – 29th May, 2014 at 3.30 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018
	Postal Ballot- 12th May, 2014	N.A.
2012-2013	AGM - 7th August, 2013 at 3:30 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018
	EGM – 18th October, 2012 at 11.00 am	Sai Palace Hotel, Mahakali Caves Road, Chakala, Mumbai 400093

b) In the last three AGMs/EGMs, following Special Resolutions were passed:

Meetings held on	Special Resolution passed
AGM – 10th July, 2015	• To ratify the remuneration of Cost Auditor • Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 • Payment of remuneration to Major Suhas Thakar (Retd.) as executive Director of the Company • Waiver of recovery of excess managerial remuneration paid to Major Suhas Thakar, (Retd.) as Executive Director of the Company
AGM – 10th September, 2014	• To authorise the Board to create charges on the assets of the company • To authorise the Board to borrow funds on behalf of the company • Increasing the limits to make loans or investments and to give guarantee or provide security in connection with the loans under section 186 of the Companies Act, 2013
EGM – 29th May, 2014	• Appointment of Statutory Auditors to fill Casual Vacancy
Postal Ballot- 12th May, 2014	• Increase in the authorised share capital of the company • Alteration of articles of association • Authorization for restructuring of debts • Issue of equity shares on Preferential Basis to the Promoters • Approval for reappointment and remuneration of Mr. Ajay S Mittal • Approval for reappointment and remuneration of Mrs. Archana A Mittal
AGM - 7th August, 2013	• Change of name of Company from Arshiya International Limited to Arshiya Limited

c) Postal Ballot

During the year, there was no resolution passed through Postal Ballot.

4. CORPORATE GOVERNANCE REQUIREMENTS WITH RESPECT TO SUBSIDIARY COMPANIES

Regulation 24 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015 has imposed certain compliances with respect to the subsidiary(ies) of the listed entity. As on 31st March, 2016 the Company has 12 subsidiary companies, including Two Material Subsidiary and 3 step down subsidiaries.

In compliance with the conditions specified in regulation 24 (1), Independent Director(s) on the Board of the Company, have been appointed as Director on the Board of the Material Indian Subsidiary. Further, in compliance with regulation 24(2) financials of

the subsidiary companies were reviewed by the Audit Committee of the Company. Also minutes of the Board Meetings of the subsidiaries have been placed before the Board of directors of your Company.

5. DISCLOSURES

Disclosure regarding the appointment and re-appointment of directors

As per the provisions of the Companies Act, 2013 Mr. Ajay S Mittal will retire at ensuing AGM and being eligible, seek re-appointment. The Board recommends his re-appointment. The brief profile of Mr. Ajay S Mittal is attached in the Notice of this AGM.

Further, Section 149 of the Companies Act, 2013 states that no independent director shall be eligible to serve on the Board for more than two consecutive terms of five years. Further, itstates that the provisions of retirement by rotation as defined in sub-section (6) and (7) of Section 152 of the Companies Act, 2013 shall not apply to such independent directors. None of the independent directors will retire at the ensuing AGM.

Details of Non-Compliance

No strictures or penalties have been imposed on theCompany by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

Code of Conduct

In compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). The Code is applicable to the members of the Board, the executive officers and all employees of the Company and its subsidiaries. The Code is available on our website www.arshiyalimited.com

The Code lays down the standard of conduct which is expected to be followed by the Directors and by the employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All members of the Board, the executive officers and senior financial officers have affirmed compliance to the Code as on 31st March, 2016. The Declaration on compliance with the Code of Conduct is annexed as **Annexure A.**

CEO and CFO Certification

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO Certification is part of this Report, annexed as **Annexure B.**

Auditors' Certificate on Corporate Governance

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' Certificate on Corporate Governance is annexed as **Annexure C.**

Prevention of Insider Trading

In January, 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from 15th May, 2015. Pursuant thereto, the Company hasformulated and adopted a new Code for Prevention ofInsider Trading.

The policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. It also prohibits the purchase or sale of Company's shares by the Directors, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Policy is available on our website http://www.arshiyalimited.com/assets/pdf/insider-trading-code20160407090651.pdf

The Company Secretary & Compliance officer is responsible for implementation of the Code.

All Board Directors, designated employees and connected person have affirmed compliance with the Code.

Related Party Transactions

All Transactions with related parties were in the ordinary course of business and on an arm's length pricing basis. The Policy on Related Party Transaction is available on our website http://www.arshiyalimited.com/assets/pdf/related-party-transaction-policy20160407103809.pdf

Vigil Mechanism/ Whistle Blower Policy

In compliance with Section 177(9) and (10) of the Companies Act, 2013 and Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for

Directors and employees to report to the management about the unethical behaviour, fraud or violation of company's code of conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the company has been denied access to the Audit Committee. Vigil Mechanism/ Whistle Blower Policy of the Company is available on our website http://www.arshiyalimited.com/assets/pdf/vigil-mechanism-whistle-blower-policy20160407104143.pdf.

Unclaimed Dividends

The shareholders who have not encased their dividend warrants for the years 2007-08 onwards are requested to claim the amount from Big Share Services Private Ltd. or from the Company. As per section 124 of the Companies Act, 2013 (corresponding to Section 205 of Companies Act, 1956), any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called The Investor Education and Protection Fund' set up by the Central Government. No claims shall lie against the fund or the Company in respect of the amount so transferred. Further, the Ministry of Corporate Affairs (MCA) vide its Notification dated 10thMay, 2012 prescribed the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 which mandates all the companies to file the particulars of all the unclaimed and unpaid amounts through e-Form 5 INV on the web portal of MCA http://www.iepf.gov.in/IEPF/services.htmland subsequently also upload the data on the website of the Company. The details of unclaimed dividends for the financial years 2007-08 to 2011-2012 have been uploaded on the Company's website http://www.arshiyalimited.com/assets/pdf/unpaid-dividend-statement.pdf.

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable and also followed Section 133 of the Companies Act, 2013.

Risk Management

Your Company is well aware of risks associated with its business operations and various projects under execution. Comprehensively risk management system is being put in place involving classification of risk, adoption of risk mitigation measures and a strong mechanism to deal with potential risks and situation leading to rise of risks in an effective manner.

Senior Professionals conversant with risk management systems have been entrusted with the said task with a brief to implement the risk management. Risk Management Policy of the Company is available on the website of the Company http://www.arshiyalimited.com/assets/pdf/risk-management-policy20160407103904.pdf.

Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSIL) and the total issued and paid-up capital. This audit is carried out every quarter and the Report thereon is submitted to the stock exchanges and is placed before the board of directors of the Company. The Audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSIL and the total number of shares in physical form.

Green initiative in the corporate governance

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling Annual General meeting, Corporate Governance Report, Directors Report, audited Financial Statements, Auditors Report, etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company. Shareholders are requested to register their email id with Registrar and Share Transfer Agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

Implementation of Compliance Management System

Your Company has in place a well-structured Legal Compliance Management System to monitor periodical compliances on regular basis and Review Reports are discussed at the Audit Committee meetings and Board Meetings.

Proceeds from Public Issues, Rights Issues, and Preferential Issues etc.

The Company has not made any public issue or rights issue of Equity Shares during the year and hence not received any proceeds there from.

The Company has allotted 2,87,50,000 equity shares of ₹ 2/- each at a price of ₹ 14.60/- per share to the Promoters on preferential basis.

Management Discussion and Analysis

Management Discussion and Analysis Report forms part of Annual Report.

Non-mandatory requirements

Adoption of non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being reviewed by the Board from time-to-time.

6. COMMUNICATION WITH THE SHAREHOLDERS

The Company, from time to time and as may be required, communicates with its shareholders and investors through multiple channels of communications such as dissemination of information on the on-line portal of the Stock Exchanges, press releases, the Annual Reports and uploading relevant information on its website.

The unaudited quarterly results are announced within forty-five days of the close of the quarter. The Audited annual results are announced within two months form the close of the Financial Year as required under SEBI regulations. The aforesaid financial results are announced to the Stock Exchanges within thirty minutes from the close of the Board Meeting at which these were considered and approved. Further the results are published according to the SEBI Regulations.

The audited financial statements form part of this Annual Report which is sent to the Members within the statutory period and well in advance of the Annual General Meeting.

The Annual Report of the Company, the quarterly / half yearly and the audited financial results and the press releases of the Company are also placed on the Company's website www.arshiyalimited.com and can be downloaded.

The presentations on the performance of the Company are placed on the Company's website immediately after these are communicated to the Stock Exchanges for the benefit of the institutional investors and analyst and other shareholders.

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Regulations including material information having a bearing on the performance / operations of the listed entity or other price sensitive information. All information is filed electronically on BSE's online Portal – BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the Stock Exchanges.

Means of communication

a) The quarterly, half-yearly and annual financial results are usually published in Free Press Journal and Navshakti.

b) The Company has its own website viz. www.arshiyalimited.com and the financial results and quarterly shareholding pattern along with other relevant information useful to the investors are uploaded on the website regularly.

c) The 'Investors' section on the Company's website keeps the investors updated on material developments in the Company by providing key and timely information like Financial Results, Annual Reports, Shareholding Pattern, presentations made to institutional investors and analysts etc. A brief profile of Directors is also on the Company's website. Members also have the facility of raising their queries/complaints on share related matters through a facility provided on the Company's website.

7. GENERAL SHAREHOLDER INFORMATION

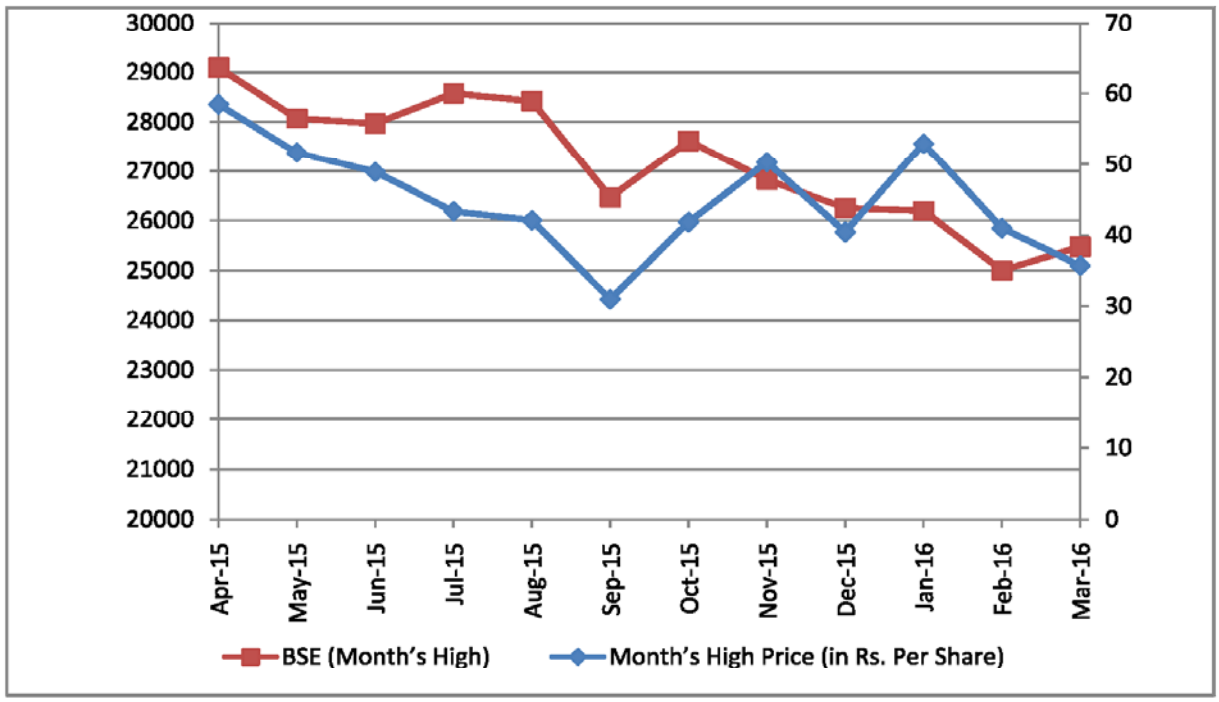
a)	**35th AGM**	Date: 29th July, 2016 Time:10:30 a.m. Venue: Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018
b)	**Investor Services** **Financial Calendar for 2016-2017 (Tentative)**	i. 1st quarter results- on or before 14th August, 2016 ii. 2nd quarter results- on or before 14th November, 2016 iii. 3rd quarter results- on or before 14th February, 2017 iv. Audited results for the year- on or before 30th May, 2017
c)	**Date of Book Closure**	23rd July, 2016 to 28th July, 2016
d)	**Dividend payment date**	NA
e)	**Listing on Stock Exchanges**	Bombay Stock Exchange Limited. National Stock Exchange of India Limited The Company has paid the Listing fees for the year 2016-2017.
f)	**Stock Code Symbol**	BSE : 506074 NSE: ARSHIYA
g)	**Demat ISIN Number For CDSL and NSDL**	INE968D01022

h) Market Price Data and Relative Performance:

The monthly high and low quotations of shares traded on BSE and BSE B/S&P BSE SENSEX during each month in last financial year are as follows:

Month	Bombay Stock Exchange (BSE)*			B/S&P BSE SENSEX*	
	Month's High Price (in ₹ Per Share)	Month's Low Price (in ₹ Per Share)	Month's Volume	Month's High	Month's Low
April-15	58.5	37.5	54,75,883	29,094.61	26,897.54
May-15	51.65	35.1	28,42,018	28,071.16	26,423.99
June-15	48.9	33.7	11,18,692	27,968.75	26,307.07
July-15	43.3	37	8,67,962	28,578.33	27,416.39
August-15	42.05	21.1	17,57,107	28,417.59	25,298.42
September-15	30.95	23.5	12,65,353	26,471.82	24,833.54
October-15	41.8	26.35	20,48,319	27,618.14	26,168.71
November-15	50.3	34.65	28,35,777	26,824.30	25,451.42
December -15	40.4	43.1	23,27,409	26,256.42	24,867.73
January-16	52.95	33.25	40,02,577	26,197.27	23,839.76
February-16	40.95	24.15	8,70,899	25,002.32	22,494.61
March-16	35.7	26.65	23,95,062	25,479.62	23,133.18

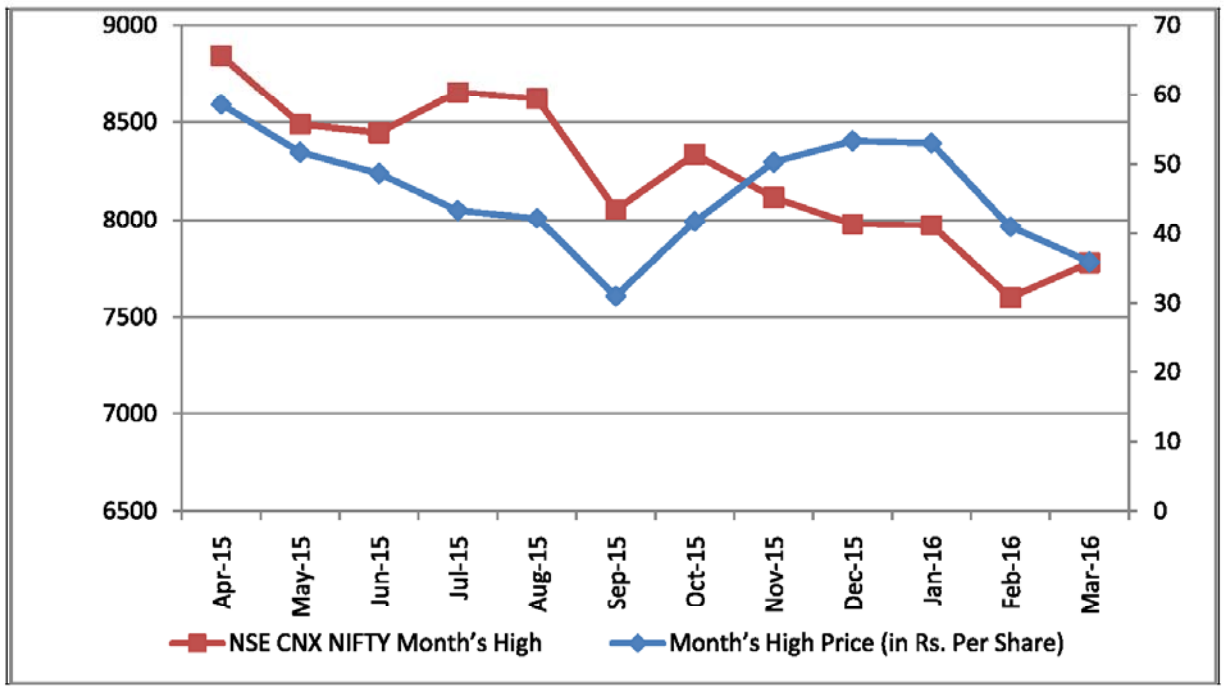
*Source: www.bseindia.com



The monthly high and low quotations of shares traded on NSE and CNX Nifty during each month in last financial year are as follows:

Month	National Stock Exchange (NSE)#			NSE CNX NIFTY#	
	Month's High Price (in ₹ Per Share)	Month's Low Price (in ₹ Per Share)	Month's Volume	Month's High	Month's Low
April 15	58.55	37.20	1,54,57,083	8,844.80	8,144.75
May 15	51.70	36.00	70,80,554	8,489.55	7,997.15
June 15	48.70	33.55	27,15,638	8,445.35	7,940.30
July 15	43.40	36.90	28,87,903	8,654.75	8,315.40
August 15	42.25	21.20	58,92,915	8,621.55	7,667.25
September 15	31.00	23.90	54,15,483	8,055.00	7,539.50
October 15	41.80	26.40	61,01,556	8,336.30	7,930.65
November 15	50.30	34.25	91,62,149	8,116.10	7,714.15
December 15	53.30	40.30	69,07,332	7,979.30	7,551.05
January 16	53.00	33.00	1,01,72,129	7,972.55	7,241.50
February 16	41.00	24.25	20,40,458	7,600.45	6,825.80
March 16	35.90	26.60	33,91,396	7,777.60	7,035.10

#Source: www.nseindia.com



Registrar & Share Transfer Agent :

Bigshare Services Private Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai-400 072
Tel.: 91-22-2847 0652/ 40430200
Fax.: 91-22-2847 5207
E-mail: info@bigshareonline.com

j) Share Transfer System:

All shares sent for transfer in physical form are registered by the Registrar & Share Transfer Agent within 15 days of the lodgement, if documents are found in order. All requests for dematerialization of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days.

k)Category wise distribution of equity share holding as at 31st March, 2016:

Category	No. of Shares Held	% age of Shareholding
Promoter and Promoter Group	11,71,20,225	74.99
Mutual Fund	25,000	0.065
Trust	0	0
FII	20,67,639	1.32
Bodies Corporate	1,31,58,957	8.42
Individual	1,89,49,008	12.13
Clearing Member	4,28,973	0.27
Director/relative	13,955	0.009
Employee	4,610	0.003
NRI	16,63,610	1.065
Foreign National	3,00,000	0.19
Foreign Company	24,47,495	1.56
GRAND TOTAL	**15,61,79,472**	**100.00**

l) Distribution of shareholding as on 31st March, 2016:

Number of Equity shares held	Total Holders	% of total holders	Total Holding in ₹	% of Total Capital
01 5000	10405	91.4725	77,65,134	2.4860
5001 - 10000	433	3.8066	32,80,548	1.0502
10001 - 20000	240	2.1099	36,79,448	1.1780
20001 - 30000	75	0.6593	19,08,390	0.6110
30001 - 40000	51	0.4484	18,26,404	0.5847
40001 - 50000	23	0.2022	10,49,964	0.3361
50001 - 100000	51	0.4484	38,94,380	1.2468
100001-99999999	97	0.8527	28,89,54,676	92.5073
Total	**11375**	100.00	**31,23,58,944**	**100.0000**

m.) Dematerialization of shares and liquidity:

Approximately 98.29% of the total number of shares are in dematerialized form as on 31stMarch, 2016. The Equity shares of the Company are traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

n) Outstanding ADRs, GDRs, warrants or any convertible instruments, conversion date and impact on equity:

No ADRs or GDRs, or any other convertible instruments were outstanding for conversion as on 31st March, 2016.

o) Address for investor correspondence:

All routine correspondence regarding share transfers, transmission, dematerialization of shares, change of address, non-receipt of dividend, etc., should be addressed to the Company's Registrar & Share Transfer Agent at:

BIGSHARE SERVICES PRIVATE LTD.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai-400 072
Tel.: 91-22-2847 0652/ 40430200
Fax.: 91-22-2847 5207
E-mail: info@bigshareonline.com

p) For complaints/grievances, if any, members are requested to address the same to:

Arshiya Limited

Registered Office	Corporate Office
302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018 Phone No. +91 22 4230 5500/502 Fax No. +91 22 4230 5555	308, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018 Phone No. +91 22 4230 5500/502 Fax No. +91 22 4230 5555

Email:grv.redressal@arshiyalimited.com

Annexure A

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

In accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the period 1st December, 2015 to 31st March, 2016, to the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct laid down by the Company as applicable to them for the financial year ended on 31st March, 2016.

AJAY S MITTAL
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00226355

Date: 25th May, 2016
Place: Mumbai

Annexure B

CEO/CFO CERTIFICATION

I, Ajay S Mittal, Chairman & Managing Director of Arshiya Limited appointed in terms of the Companies Act, 2013 & Regulation 17(8) of Listing Obligation & Disclosure Requirement, certify to the Board that:

A. I have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

D. I have indicated to the auditors and the Audit committee

1) significant changes in internal control over financial reporting during the year;

2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

AJAY S MITTAL
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00226355

Date: 25th May, 2016
Place: Mumbai

Annexure C

CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
Arshiya Limited

We have examined the compliance of conditions of Corporate Governance by Arshiya Limited, for the year ended March 31, 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with Stock Exchange(s) for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securitie s Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

We state that in respect of investor grievances received during the year ended 31st March, 2016, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Aabid & Co.,
Practicing Company Secretary

Mohammad Aabid
C. P. No.6625

Date: 25th May, 2016
Place: Mumbai

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Members of Arshiya Limited Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ARSHIYA LIMITED ("the Company")** which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion:

We draw attention to the following:

1. *In respect of non-provision of interest aggregating to 1,57,50,54,021/- on loans excluding loans assigned to Asset Reconstruction Company as referred to in Note no. 32.1*

2. *In respect of non-provision of interest aggregating to 1,82,15,14,317/-on loans assigned to Asset Reconstruction Company as referred to in Note no. 32.2 and 32.2.1*

The Companies records indicated that the management had not provided for interest as stated in item nos 1 and 2 above. Had the management done so, an aggregate amount of 3,39,65,68,338/- would have been required to be provided. Accordingly, finance cost, loss for the year and other current liabilities would have been higher and shareholder's funds would have been lower by 3,39,65,68,338/-.

3. *In respect of pending approval from Central Government in relation to excess remuneration paid to Ex-Executive Director of the Company for F.Y 2013-14 as referred to in Note no. 46.*

4. *In respect of non-compliance with the provisions of sub section 4 of Section 203 of the Act relating to appointment of Chief Financial Officer.*

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in Basis for Qualified Opinion paragraph, these financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;

(b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) *in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

Emphasis of Matters

1. The Company continues to be under severe financial stress as reflected by:

   (a) Guarantees given on behalf of subsidiaries being invoked by the consortium of banks (See Note no. 24)
   (b) Dues to banks and others being recalled by lenders aggregating to 7,61,38,78,542 (See note no. 10)
   (c) Creditors for capital expenditure 22,73,33,186 (See Note no 10)
   (d) Unpaid employee's dues 2,96,78,512 (See Note no. 10)
   (e) Unpaid Statutory dues 8,96,96,526 (See Note no. 10)

2. Further to above, we draw attention to the following matters:

   (a) No provision for diminution in value of investments in/loans to subsidiaries having been made for the reasons as stated in Note nos. 33 and 43.
   (b) Note no. 34.1(ii) and 34.2 Re: Mark to Market Losses.
   (c) Note no. 36 Re: Proceedings against Company.

Our Opinion is not modified in respect of these matters.

Despite the foregoing, these accounts have been prepared on a "Going Concern" basis as referred to in Note no. 29 of the financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"** a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"**; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The company has disclosed the impact of pending litigation on its financial position in its financial statements (Refer to Note No. 23(i) to 23(iv) and 36).

(ii) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term derivative contracts (Refer Note no. 34).

(iii) There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M.A.Parikh & Co.
Chartered Accountants
(Firm's Registration No. 107556W)

MUKUL M. PATEL
Partner
Membership No. 32489

Place: Mumbai
Date: 25th May, 2016

Annexure – A to the Auditors' Report

Annexure referred to in paragraph 1 of our report on Other Legal and Regulatory Requirements of even date

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, discrepancies noticed on such verification have been accounted for.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of Freehold Land are held in the name of the company.

(ii) Considering the nature of the business, the Company is not required to purchase any inventory and hence, the provisions of clause 3(ii) of the Order are not applicable to the Company.

(iii) The Company has granted interest free unsecured loans to four parties covered in the register maintained under Section 189 of the Companies Act, 2013. According to the terms of arrangement, the loans are receivable after one year but within five years, hence the question of repayment during the year does not arise. There are no overdue amounts exceeding One lakh as of year-end with respect to such loans granted.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and guarantees made (Refer Note no. 48)

(v) The Company has not accepted any deposits from the public and hence clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company in respect of services rendered pursuant to rules made by Government of India with regard to the maintenance of cost records as prescribed under section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed basic cost records have been made and maintained. We have, however, not made a detailed examination of the cost records, with a view to determine, whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) The Company is generally regular in depositing undisputed applicable statutory dues, *except, tax deducted at source of 6,62,28,741/- which is outstanding as of the year-end for a period of more than six months from their due dates of payment.*

(b) There are no disputed dues in respect of wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any disputes. Details of disputed dues of Income Tax and Value Added Tax which have not been deposited are as under :

Name of the Statute	**Nature of Dues**	**Amount Involved ( )**	**Period to which the amount relates**	**Forum where the dispute is pending**
Income Tax Act, 1961	Income Tax	1,90,95,345	Assessment Year 2008-2009 to 2010-2011	Income Tax Appellate Tribunal
		7,11,78,440	Assessment Year 2013-2014	Deputy Commissioner of Income Tax
Value Added Tax	Maharashtra Value Added Tax	20,51,279	Assessment Year 2005-06	Deputy Commissioner of Sales Tax-(Appeal)

(viii) The Company has not issued any debentures. *Based on our audit procedures and according to the information and explanations given by the management, during the year, the Company, has defaulted in repayment of dues to Banks and Financial Institutions, the defaults whereof are stated hereunder:*

- ***Default on account of non-payment of principal of Loans from "Banks" as stated below:***

Period of Default	***Name of the Lenders***					
	Punjab National Bank	***UCO Bank***	***Tamilnad Mercantile Bank***	***Oriental Bank of Commerce***	***Karur Vysya Bank***	Kotak Mahindra Bank
FY 2012-13	*1,70,64,600*	*3,83,89,400*	*18,79,998*	*1,78,50,000*	*24,62,486*	-
FY 2013-14	*9,56,70,180*	*18,27,28,542*	*1,43,16,185*	*10,33,11,000*	*1,00,00,000*	-
FY 2014-15	*14,09,42,720*	*44,12,47,964*	*2,33,48,766*	*15,49,84,000*	*1,00,00,000*	*39,96,91,418*
June-15	*3,70,83,820*	*6,17,61,661*	*62,26,790*	*4,09,49,000*	-	-
September-15	*3,70,83,820*	*6,17,61,661*	*62,26,790*	*4,09,49,000*	-	-
December-15	*3,70,83,820*	*6,17,61,661*	*62,26,790*	*4,09,49,000*	-	-
January-16	-	*1,54,52,17,168*	-	-	-	-
February-16	-	-	-	*1,23,22,08,000*	-	-
March-16	*6,25,52,240*	-	*1,08,33,581*	-	-	-
TOTAL	***42,74,81,200***	***2,39,28,68,057***	***6,90,58,900***	***1,63,12,00,000***	***2,24,62,486***	***39,96,91,418***

- ***Default on account of non-payment of principal of Term Loan from "Others" (Edelweiss Asset Reconstruction Company – EARC Trust) as stated below:***

Period of Default	Name of the EARC Trust					
	EARC Trust SC-144	EARC Trust SC-174	EARC Trust SC-141	EARC Trust SC-176	EARC Trust SC-126	EARC Trust SC-152
FY 2012-13	40,78,744	80,58,639	68,07,136	90,20,968	-	-
FY 2013-14	5,34,76,235	5,42,73,977	5,13,86,143	5,33,16,427	1,99,42,577	1,50,35,388
FY 2014-15	8,83,74,881	8,07,32,613	8,53,65,890	8,00,76,440	4,91,71,080	3,71,72,641
April-15	-	-	50,00,000	-	-	-
May-15	-	69,79,39,314	50,00,000	-	-	-
June-15	2,34,72,823	-	2,61,84,540	2,11,01,840	1,40,48,880	47,79,33,958
July-15	-	-	50,00,000	-	-	-
August-15	-	-	50,00,000	-	-	-
September-15	2,34,72,823	-	2,61,84,540	2,11,01,840	1,40,48,880	-
October-15	-	-	50,00,000	-	-	-
November-15	-	-	50,00,000	-	-	-
December-15	2,34,72,823	-	2,61,84,540	2,11,01,840	1,40,48,880	-
March-16	4,04,65,646	-	3,58,89,080	3,57,23,680	2,80,97,760	-
TOTAL	**25,68,13,975**	**84,10,04,543**	**28,80,01,869**	**24,14,43,035**	**13,93,58,057**	**53,01,41,987**

- ***Default on account of non-payment of principal of Term Loan from "Others" (Non Banking Financial Company - NBFC) as stated below:***

Period of Default	NBFC Tata Capital	NBFC SICOM
FY 2012-13	26,66,66,668	69,00,00,000
TOTAL	**26,66,66,668**	**69,00,00,000**

- ***Default on account of non-payment of interest on Term Loan from "Banks" as stated below:***

Period of Default	Name of the Lenders					
	Punjab National Bank	UCO Bank	Tamilnad Mercantile Bank	Oriental Bank of Commerce	Karur Vysya Bank	Kotak Mahindra Bank
FY 2012-13	25,87,79,214	37,66,60,705	4,43,26,514	28,11,37,019	40,70,998	-
FY 2014-15	20,94,03,549	31,16,62,581	1,70,75,150	21,51,96,305	25,30,484	2,47,19,638
April-15	1,89,80,766	2,83,96,837	31,34,991	2,09,99,291	2,88,623	52,39,902
May-15	1,98,06,906	2,96,32,813	32,77,849	2,19,13,227	3,01,185	54,81,676
June-15	1,93,63,329	2,89,69,185	32,10,527	2,14,22,479	2,94,440	53,72,674
July-15	2,02,06,120	3,02,30,072	33,77,854	2,23,54,896	3,07,256	56,20,155
August-15	2,04,12,057	3,05,38,170	33,77,328	2,25,82,732	3,10,387	56,91,860
September-15	1,99,54,928	6,39,13,150	33,28,648	2,20,76,989	3,03,436	55,78,264
October-15	2,08,23,468	3,37,37,943	34,80,558	2,30,37,893	3,16,643	58,26,073
November-15	2,03,57,126	3,29,84,504	34,09,300	2,25,21,958	3,09,552	57,09,798
December-15	2,12,43,172	3,44,22,306	35,67,664	2,35,02,229	3,23,025	59,73,253
January-16	2,14,59,677	3,47,75,373	36,11,310	2,36,76,890	3,26,317	60,49,463
February-16	2,02,79,784	3,28,65,479	34,19,634	2,24,35,774	3,08,376	57,30,834
March-16	2,18,85,077	3,54,69,166	36,01,043	2,42,11,729	3,32,786	61,99,760
TOTAL	**71,29,55,173**	**1,10,42,58,284**	**10,21,98,370**	**76,70,69,411**	**1,03,23,508**	**9,31,93,350**

- ***Default on account of non-payment of interest on Term Loan from "Others" (Edelweiss Asset Reconstruction Company – EARC Trust) as stated below:***

Period of Default	Name of the EARC Trust					
	EARC Trust SC-144	EARC Trust SC-174	EARC Trust SC-141	EARC Trust SC-176	EARC Trust SC-126	EARC Trust SC-152
FY 2012-13	14,51,81,289	14,55,97,537	14,56,53,519	14,49,11,540	12,22,81,011	9,23,83,190
FY 2014-15	4,34,36,275	11,30,01,767	7,50,54,066	11,80,57,678	9,88,71,381	7,15,57,295

April-15	*1,11,46,250*	*1,08,59,735*	*1,15,96,070*	*1,08,10,467*	*-*	*68,54,690*
May-15	*1,16,33,550*	*1,13,32,407*	*1,13,75,278*	*1,12,80,994*	*-*	*71,53,042*
June-15	*88,05,309*	*1,10,78,617*	*1,11,20,529*	*1,10,28,355*	*-*	*69,92,849*
July-15	*1,18,60,200*	*1,15,60,815*	*-*	*1,15,08,366*	*-*	*72,97,213*
August-15	*-*	*1,16,78,640*	*-*	*1,16,25,656*	*-*	*73,71,585*
September-15	*-*	*1,14,17,096*	*-*	*1,13,65,299*	*-*	*52,84,765*
October-15	*-*	*1,19,14,027*	*-*	*1,18,59,975*	*-*	*-*
November-15	*-*	*1,16,47,212*	*-*	*1,15,94,370*	*-*	*-*
December-15	*-*	*1,13,70,018*	*-*	*1,20,99,017*	*-*	*-*
January-16	*-*	*-*	*-*	*1,06,45,253*	*-*	*-*
TOTAL	***23,20,62,873***	***36,14,57,871***	***25,47,99,462***	***37,67,86,970***	***22,11,52,392***	***20,48,94,629***

- ***Default on account of non-payment of interest on Term Loan from "Others" (Non Banking Financial Company - NBFC) as stated below:***

Period of Default	***NBFC Tata Capital***	***NBFC SICOM***
FY 2012-13	*1,05,22,510*	*3,69,97,844*
FY 2013-14	*4,55,04,320*	*14,12,66,271*
FY 2014-15	*5,28,88,250*	*18,27,04,021*
April-15	*47,08,064*	*1,66,28,332*
May-15	*49,25,407*	*1,74,54,471*
June-15	*48,27,681*	*1,71,67,587*
July-15	*48,28,262*	*1,80,20,519*
August-15	*50,51,457*	*1,83,15,141*
September-15	*51,16,357*	*1,80,14,111*
October-15	*50,14,706*	*1,89,09,100*
November-15	*52,46,519*	*1,85,98,307*
December-15	*42,83,810*	*1,95,22,320*
January-16	*53,79,993*	*1,98,41,497*
February-16	*54,49,114*	*1,88,64,866*
March-16	*51,62,595*	*2,04,74,319*
TOTAL	***16,89,09,045***	***58,27,78,706***

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year and hence clause 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided during the year for managerial remuneration and hence clause 3 (xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standard (Refer Note no. 42)

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company during the year, the Company has made preferential allotment of shares viz. in compliance with sections 42 of the Act.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us and based on our examination of the records, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For M.A.Parikh & Co.
Chartered Accountants
(Firm's Registration No. 107556W)

MUKUL M. PATEL
Partner
Membership No. 32489

Place: Mumbai
Date: 25th May, 2016

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ARSHIYA LIMITED ("the Company")** as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For M.A.Parikh & Co.
Chartered Accountants
(Firm's Registration No. 107556W)

MUKUL M. PATEL
Partner
Membership No. 32489

Place: Mumbai
Date: 25th May, 2016

Balance Sheet as at 31st March, 2016

(Amount in ₹)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
I. Equity and Liabilities			
1. Shareholders' funds			
(a) Share capital	3	31,23,58,944	25,48,58,944
(b) Reserves and surplus	4	1,99,03,44,592	4,44,68,88,873
		2,30,27,03,536	**4,70,17,47,817**
2. Non-current liabilities			
(a) Long-term borrowings	5	1,97,29,05,985	10,47,02,77,997
(b) Other long-term liabilities	6	1,34,98,04,129	32,04,06,630
(c) Long-term provisions	7	88,02,192	77,00,256
		3,33,15,12,306	**10,79,83,84,883**
3. Current liabilities			
(a) Short-term borrowings	8	1,19,46,86,389	1,17,73,55,312
(b) Trade payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises		7,11,505	6,78,385
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,18,90,776	6,69,05,546
(c) Other current liabilities	10	15,36,38,99,328	6,85,75,03,567
(d) Short-term provisions	11	18,54,96,362	41,90,37,009
		16,76,66,84,360	**8,52,14,79,819**
Total		**22,40,09,00,202**	**24,02,16,12,519**
II. Assets			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	12,32,24,77,945	9,97,61,02,048
(ii) Intangible assets	12	5,88,56,703	9,55,21,869
(iii) Capital work-in-progress		-	4,42,07,00,537
		12,38,13,34,648	**14,49,23,24,454**
(b) Non-current investments	13	8,34,24,41,336	8,34,24,41,336
(c) Long-term loans and advances	14	1,30,77,55,123	90,08,46,174
		9,65,01,96,459	**9,24,32,87,510**
2. Current assets			
(a) Trade receivables	15	12,17,78,170	3,36,34,172
(b) Cash and bank balances	16	3,96,45,888	2,18,44,262
(c) Short-term loans and advances	14	20,79,45,037	23,05,22,121
		36,93,69,095	**28,60,00,555**
Total		**22,40,09,00,202**	**24,02,16,12,519**
Summary of Significant Accounting Policies	2		
See accompanying notes to the financial statements	1-51		

As per our report of even date

For **M. A. PARIKH & Co**
Chartered Accountants
Firm Registration Number 107556W

Mukul Patel
Partner
Membership Number: 032489

Place: Mumbai
Date: 25th May 2016

For and on behalf of the Board of Directors of Arshiya Limited

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Savita Dalal
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2016

(Amount in ₹)

Particulars	Notes	Year Ended 31st March, 2016	Year Ended 31st March, 2015
I. Revenue			
1. Revenue from operations	17	64,28,33,494	50,50,53,029
2. Other income	18	48,74,047	60,22,908
Total Revenue		**64,77,07,541**	**51,10,75,937**
II. Expenses			
1. Cost of operations	19	4,00,52,581	3,60,12,681
2. Employee benefits	20	17,75,01,014	15,98,98,312
3. Finance costs	21	1,75,96,18,751	2,13,20,83,290
4. Depreciation and amortization	12	23,58,70,091	29,22,01,514
5. Other expenses	22	16,13,31,494	19,01,78,086
Total Expenses		**2,37,43,73,931**	**2,81,03,73,883**
III. Loss for the year before Exceptional items and Tax		(1,72,66,66,390)	(2,29,92,97,946)
IV. Exceptional items (Net)	28	1,02,81,23,576	10,89,94,018
V. Prior Period Adjustments (Net)	49	47,22,060	3,17,39,997
VI. Loss for the year before tax		**(2,75,95,12,026)**	**(2,44,00,31,961)**
VII. Tax expense			
Short provision for prior years		2,44,37,695	-
VIII. Loss after tax		**(2,78,39,49,721)**	**(2,44,00,31,961)**
Earnings per share			
Basic and Diluted	45	**(19.62)**	**(22.82)**

Summary of Significant Accounting Policies 2
See accompanying notes to the financial statements 1-51

As per our report of even date

For **M. A. PARIKH & Co**
Chartered Accountants
Firm Registration Number 107556W

Mukul Patel
Partner
Membership Number: 032489

Place: Mumbai
Date: 25th May 2016

For and on behalf of the Board of Directors of Arshiya Limited

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Savita Dalal
Company Secretary

Cash Flow Statement for the year ended March 31, 2016

(Amount in ₹)

Particulars		Year Ended 31st March, 2016	Year Ended 31st March, 2015
Cash flow from operating activities			
Loss before tax		(2,75,95,12,026)	(2,44,00,31,961)
Adjustments for			
Loss on sale of assets (net)		3,38,06,521	-
Mark To Market Losses		20,41,90,694	7,92,49,269
Bad Debts		22,31,329	5,54,39,624
Sundry Balances written off (net)		(6,96,47,097)	81,15,039
Provision for diminution in value of investment		-	35,31,000
Corporate Debt Revival and Advisory Fees		1,00,00,000	-
Recovery of Expenses provided in prior year		(42,09,806)	-
Forfeiture of Capital Advance received		(92,04,92,975)	-
Fixed Assets/Other Assets written off		1,74,80,56,510	1,37,90,537
Irrecoverable Advance written off		2,66,72,545	-
Excess Provision written back		(24,84,145)	(2,07,06,867)
Provision for Interest on statutory dues written back		-	(3.04.24.584)
Depreciation and amortization expense		23,58,70,091	29,22,01,514
Interest expense		1,75,96,18,751	2,13,20,83,290
Interest income		(13,77,460)	(46,811)
Foreign Exchange gain (net)		(8,66,908)	(22,03,920)
Operating profit before working capital changes		**26,18,56,024**	**9,09,96,130**
Adjustments for			
(Increase)/Decrease in trade and other receivables		(6,83,19,680)	65,75,12,319
Increase/(Decrease) in trade and other payables		60,47,45,938	(26,02,13,055)
Cash generated from operations		**79,82,82,282**	**48,82,95,394**
Direct taxes paid (net of refunds)		1,83,37,587	(1,88,70,680)
Net cash flow from operating activities	**(A)**	**81,66,19,869**	**46,94,24,714**
Cash flow from investing activities			
Purchase of fixed assets		(11,53,182)	-
Sale of fixed assets		5,95,65,306	-
Refund of Advance to a subsidiary		(10,13,576)	-
Capital Advance		(29,31,93,868)	-
Investment in bank deposits having original maturity period of more than 3 months		-	61,33,151
Interest Income		13,77,460	2,07,179
Net cash flow used in investing activities	**(B)**	**(23,44,17,860)**	**63,40,330**
Cash flow from financing activities			
Issue of Equity shares (including Security Premium)		41,97,50,000	1,57,14,99,999
Money received against share warrants adjusted against issue of shares		-	(27,49,00,000)
Repayment of long-term borrowings (Net)		(75,50,11,100)	33,38,07,316
Short-term borrowings (Net)		1,73,31,077	(1,07,00,55,890)
Loans given to subsidiaries		(18,17,74,562)	(8,89,05,121)
Dividend paid/Unpaid Dividend transfer to IEPF A/c		(11,85,507)	-
Interest paid		(6,35,10,291)	(98,21,24,826)
Net cash flow from financing activities	**(C)**	**(56,44,00,383)**	**(51,06,78,522)**
Net increase / (Decrease) in cash and cash equivalents (A+B+C)		**1,78,01,626**	**(3,49,13,478)**
Cash and cash equivalents at the beginning of the year		2,00,87,582	5,55,19,412
Earmarked balances with banks*		17,56,680	12,38,328
Cash and bank balances at the end of the year		**3,96,45,888**	**2,18,44,262**
Cash and cash equivalents at the end of the year		3,90,92,827	2,00,87,582
Earmarked balances with banks*		5,53,061	17,56,680
Cash and bank balances at the end of the year		**3,96,45,888**	**2,18,44,262**

Note: * Earmarked Balances with Banks include Margin Money Deposit and Balance in Current Account relating to Unpaid Dividend.

As per our report of even date

For M. A. PARIKH & Co
Chartered Accountants
Firm Registration Number 107556W

Mukul Patel
Partner
Membership Number: 032489

Place: Mumbai
Date: 25th May 2016

For and on behalf of the Board of Directors of Arshiya Limited

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Savita Dalal
Company Secretary

Archana A Mittal
Joint Managing Director
DIN: 00703208

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Corporate Information

Arshiya Limited (the Company) is a unified supply chain and integrated logistics infrastructure solution provider and is engaged in the business ofFree Trade and Warehousing Zone (FTWZ) and value added services along with development, operations and maintenance of FTWZ.

FTWZ's are developed under the provisions of Special Economic Zone Act, 2005 and the Special Economic Zone Rules, 2006.

The Company's equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) of India.

Note 2: Significant Accounting Policies

(i) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and accrual basis of accounting and in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") and are in conformity withmandatory accounting standards issued by Institute of Chartered Accountants of India, as prescribed under the Section 133 of Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act (to the extent notified).

(ii) Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as of the date of financial statements and the reported amounts of revenue and expenses for the year. The difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

(iii) Fixed assets

(a) **Tangible Fixed Assets**

- Fixed assets except Land are stated at original cost of acquisition/installation (net of cenvat credit availed) less accumulated depreciation and impairment losses, if any. All costs including financing costs till commencement of commercial operations are capitalised.

- Land is carried at its revalued amount being the estimated market value on the date of revaluation.

(b) **Intangible Fixed Assets**
Intangible assets are carried at cost less accumulated amortization. Thecapitalised cost of software includes license fees, cost of implementation and system integration services. These costs are capitalised as intangible assets in the year in which related software is implemented.

(c) **Capital work-in-progress**
The cost of fixed assets which are not ready for its intended use are carriedat cost comprising direct cost, related incidental expenses and attributable interest.

(iv) Borrowing costs

Borrowing costs that are attributable to the acquisition or constructionof qualifying assets are capitalised till the date of commencement of commercial operations as part of cost of such assets. All other borrowing costs are charged to revenue.

(v) Depreciation and Amortization

(a) Depreciation on tangible fixed assets is provided on straight-line method as per Schedule II to the Companies Act, 2013.

(b) Amortisation of intangible assets other than (c) below, is provided on a straight-line basis over a period of three to six years from the date of its implementation based on management's estimate of useful life over which economic benefits will be derived from its use.

(c) Cost of Enterprise Resource Planning (ERP) software (intangible asset) including expenditure on implementation is amortised over a period of ten years based on management's estimate of useful life over which economic benefits will be derived from its use.

(d) Leasehold improvements are amortized over the period of lease.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(vi) Leases

(a) **Finance lease**
Assets acquired under finance lease are capitalised and the corresponding lease liability is recognised at lower of the fair value of the leased assets and the present value of minimum lease payments at the inception of the lease. Initial costs directly attributable to lease are recognised with the asset under lease.

(b) **Operating lease**
Lease of assets under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements.

(vii) Investments

(a) Investments intended to be held for more than a year, from the date of acquisition are classified as long term and are valued at cost. Provision for diminution, if any, in the value of long term investments is made to recognise a decline, other than temporary.

(b) Current investments are valued at lower of cost and fair value, computed individually for each investment.

(viii)Revenue recognition

(a) Revenue from logistic operations is accounted on the basis of date of departure of the vessel/aircraft for jobs related to export shipments and date of arrival of the vessel/ aircraft for jobs related to import shipments, considering substantial completion of contracted services.

(b) Revenue from allotment of warehousing space and open yard area for use is accounted on accrual basis as per agreed terms.

(c) Revenue from value added services and other activities is recognised based on completion of agreed contracted services.

(d) Interest and other income is accounted on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

(e) Export benefits under Serve from India Scheme of Foreign Trade Policy are recognised when utilized.

(ix) Employee benefits

Employee benefits include schemes such as Provident Fund, Employee State Insurance, Gratuity and Leave Encashment entitlements.

(a) **Defined Contribution Plan**

Contributions to defined contribution scheme such as Provident Fund and Employees' State Insurance are charged to the Statement of Profit and Loss as and when incurred.

(b) **Defined Benefit Plan**

The Liability for Leave Encashment and Gratuity is determined on actuarial basis as per the Accounting Standard -15 "Employee Benefits" (AS-15) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with the Rule 7 of the Companies (Accounts) Rules, 2014.

(x) Foreign currency transactions

(a) Transactions in foreign currencies are initially recognised at the prevailing exchange rates on the date of the transaction. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

(b) Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange difference is recognised in the Statement of Profit and Loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(c) In respect of derivative contracts assigned to foreign currency monetaryassets and liabilities, the difference due to change in exchange rate between the inception of derivative contracts and date of Balance Sheet and the proportionate premium/discount for the period upto the date of Balance Sheet is recognised in the Statement of Profit and Loss.

(xi) Accounting for taxes on income

(a) Provision for Current Tax is made, based on the tax payable under the Income-tax Act, 1961.

(b) Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and are measured using relevant enacted tax rates. Deferred Tax assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available against which suchdeferred tax asset can be realised.

(c) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

(xii) Impairment of tangible and intangible assets

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard – 28 "Impairment of Assets" (AS-28) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiii) Employee stock options

The Company calculates the employee stock compensation expense based on the intrinsic value method wherein the excess of market price of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the Employee Stock Option Scheme, is recognised as deferred employee stock compensation expense and is amortized over the vesting period.

(xiv) Provisions, Contingent Liabilities and Contingent Assets

(a) A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year-end date.

(b) Contingent Liabilities are disclosed in respect of possible obligationsthat arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

(c) Contingent Assets are not recognised or disclosed in the financial statements.

(xv) Earnings per Share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Diluted earningsper share is computed and disclosed using the weighted average number of equity and diluted equivalent shares outstanding during the year, except when the results would be anti-dilutive.

(xvi) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

(xvii) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
3. Share Capital		
Authorised		
21,00,00,000 (P.Y.:21,00,00,000) equity shares of ₹ 2/- each	42,00,00,000	42,00,00,000
Issued, Subscribed and Fully Paid		
15,61,79,472 (P.Y.:12,74,29,472) equity shares of ₹ 2/- each, fully paid up	31,23,58,944	25,48,58,944
Total	**31,23,58,944**	**25,48,58,944**

(a) Terms and rights attached to equity shares

The Company has one class of equity share having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. The shareholders who held shares on the record date are entitled to dividend as may be proposed by the Board of Directors and is subject to approval of the Shareholders at the ensuing General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of equity shares outstanding as at the beginning and end of the year

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of Shares	Amount (in ₹)	Number of Shares	Amount (in ₹)
Balance as at the beginning of the year	12,74,29,472	25,48,58,944	6,71,29,472	13,42,58,944
Issued during the year	2,87,50,000	5,75,00,000	6,03,00,000	12,06,00,000
Balance as at the end of the year	**15,61,79,472**	**31,23,58,944**	**12,74,29,472**	**25,48,58,944**

(c) Details of equity shares held by the shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Number of equity shares	Percentage (%) shareholding	Number of equity shares	Percentage (%) shareholding
Archana A Mittal	9,85,59,288	63.11%	6,98,09,288	54.78%
Ajay S Mittal	1,85,60,937	11.88%	1,85,60,937	14.57%

(d) During the year Company has allotted to the promoters 2,87,50,000 equity shares of ₹ 2/- each at a premium of ₹12.60 per share on preferential basis pursuant to the CDR package and interms of special resolution passed on 12th May, 2014 as per applicable provision of Companies Act, 1956/Companies Act, 2013 and other applicable laws.

(e) Issue of convertible warrants

The Company had alloted 1,36,00,000 convertible warrants at ₹ 145/- per warrant to promoters/promoters 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 these warrants 53,00,000, 52,50,000 and 30,50,000 were converted (in the ratio of 1 share for 1 warrant) into equity shares aggregating to 1,36,00,000 equity shares of ₹ 2/- each at a premium of ₹ 143/- per share during the financial year 2014-15, 2013-14 and 2012-13 respectively.

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
4. Reserves and Surplus		
Securities Premium		
Balance as at the beginning of the year	7,62,22,18,084	6,17,13,18,085
Add : On Issue of Equity Shares	36,22,50,000	1,45,08,99,999
Balance as at the end of the year	**7,98,44,68,084**	**7,62,22,18,084**
Amalgamation Reserve *		
Balance as at the beginning and end of the year	**1,24,80,000**	**1,24,80,000**
Revaluation Reserve		
Balance as at the beginning of the year	2,29,65,56,239	2,29,65,56,239
Less: Adjustment on account of land sold during the year	3,48,44,560	-
Balance as at the end of the year	**2,26,17,11,679**	**2,29,65,56,239**
General Reserve		
Balance as at the beginning and end of the year	**9,40,17,534**	**9,40,17,534**
Surplus/(Deficit) in Statement of Profit and Loss		
Balance as at the beginning of the year	(5,57,83,82,984)	(3,11,68,18,202)
Less:- Adjustment on account of Depreciation	-	2,15,32,821
Add:- Loss for the year	(2,78,39,49,721)	(2,44,00,31,961)
Balance as at the end of the year	**(8,36,23,32,705)**	**(5,57,83,82,984)**
Total	**1,99,03,44,592**	**4,44,68,88,873**

* As per the Scheme of Amalgamation of erstwhile BDP (India) Private Limited with the Company approved by the Hon'ble High Court of Judicature at Bombay in earlier years.

(Amount in ₹)

Particulars	Non-current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
5. Long-term borrowings				
Secured Loans				
Term loan from: (Refer Note No. 31)#				
- Banks (Refer Note (a) below)	30,48,10,240	9,23,36,38,234	5,25,27,06,815	28,30,44,100
- Others (Refer Note (b) below)	1,66,78,58,077	1,23,60,27,950	3,96,70,95,380	1,22,30,15,217
Vehicle loan from bank	2,37,668	6,11,813	3,74,145	3,35,824
Unsecured Loan				
- from Other	-	-	1,20,88,372	1,25,00,000
	1,97,29,05,985	**10,47,02,77,997**	**9,23,22,64,712**	**1,51,88,95,141**
Less: Amount disclosed under the head "other current liabilities" (Refer Note No. 10)#	-	-	**(9,23,22,64,712)**	**(1,51,88,95,141)**
Total	**1,97,29,05,985**	**10,47,02,77,997**	-	-

During the year Secured CDR Lenders have exited from CDR package and as per letter dated 29th December, 2015 issued by CDR-EG approving the exit from CDR on account of failure of the restructuring package (Refer Note no. 31). Accordingly on exit from CDR, the company will be governed by original loan agreement instead of CDR agreement and hence Funded Interest Term Loan (FITL) created during the tenure of CDR is transferred to Interest accrued and due.

(a) Term loans from Banks

(i) Securities provided

- First charge on all the present and future movable and immovable fixed assets including intangible assets, assignment of rights and benefits but excluding project assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project.
- Second charge on Current Assets of the Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) The above loans are secured by joint and several irrevocable personal guarantees of two Promoter Directors of the Company.

(iii) Further the loans are secured by shares pledged by the Promoter Directors.

(iv) Rate of Interest:- ranges from 12% to 15% p.a.

(b) Term loans from Others

i. Loan of ₹ 4,67,82,86,789/-:

(1) Securities provided

- First charge on all the present and future movable and immovable fixed assets including intangible assets, assignment of rights and benefits but excluding project assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project.
- Second charge on Current Assets of the Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project.

(2) The above loans are secured by Joint and several irrevocable personal guarantees of two Promoter Directors of the Company.

(3) Further the loans are secured by shares pledged by the Promoter Directors.

(4) Rate of Interest:- ranges from 12% to 13.50% p.a.

ii. ₹ 69,00,00,000/- (P.Y.:₹ 69,00,00,000/-) is secured by first charge on land belonging to company situated at Village Butibori at Nagpur, Maharashtra. The above loan carries interest @ 15.25% p.a. and penal interest of 4% p.a. Out of the above, ₹ 39,00,00,000/- is repayable in a single installment at the end of 3 years from the date of disbursement i.e. October 13, 2011 or on exercise of put/call option after 1 year from the date of disbursement and balance ₹ 30,00,00,000/- in single installment at the end of 3 years from the date of disbursement i.e. January 02, 2012 or on exercise of put/call option after 1 year from the date of disbursement. During the previous year, as per the terms of sanction letter the lender has excercised call option and recalled the above loan and the said loan is overdue since 13 March, 2013.

iii. ₹ 26,66,66,668/- (P.Y.:₹. 26,66,66,668/-) is secured by first and exclusive charge by way of mortgage of Company's land situated at Khurja near Delhi. The above loan carries interest of 15% p.a. plus penal interest of 2% p.a. Out of the above, ₹ 8,00,00,000/- is repayable in six equal monthly installments after a moratorium period of 6 months from the date of disbursement i.e. July 21, 2011 and balance in twelve equal monthly installments starting from thirteenth month from the date of disbursement. During the year 2012-13, the Company had defaulted in making payment of four installments aggregating to ₹ 10,66,66,668/-. Consequently in the year 2012-13, pursuant to the facility agreement the lender has recalled the balance outstanding amount of ₹ 16,00,00,000/- and the said loan is overdue since 9th February, 2013.

iv. Vehicle loan is secured by way of hypothecation of vehicle.

(c) Repayment Schedule of Secured Loan is as follows:-

(Amount in ₹)

Year	Banks	Others	Total
FY 2012-13	7,76,46,484	87,79,65,487	95,56,11,971
FY 2013-14	40,60,25,907	35,40,97,415	76,01,23,322
FY 2014-15	57,05,23,450	41,58,93,545	98,64,16,995
FY 2015-16	67,85,90,357	53,26,70,779	1,21,12,61,136
FY 2016-17	90,96,36,172	76,36,65,246	1,67,33,01,418
FY 2017-18	75,22,26,172	68,44,65,246	1,43,66,91,418
FY 2018-19	75,22,26,172	68,44,65,246	1,43,66,91,418
FY 2019-20	77,57,87,807	71,54,44,324	1,49,12,32,131
FY 2020-21	63,48,54,534	60,62,86,169	1,24,11,40,703
Total	**5,55,75,17,055**	**5,63,49,53,457**	**11,19,24,70,512**

(d) Details of continuing default in repayment of principal amount of secured loans as on 31st March, 2016 is as follows:

Year	Banks	Others	Total
FY 2012-13	7,76,46,484	98,46,32,155	1,06,22,78,639
FY 2013-14	40,60,25,907	24,74,30,747	65,34,56,654
FY 2014-15	57,05,23,450	41,58,93,545	98,64,16,995
May-15	-	69,79,39,314	69,79,39,314
Jun-15	14,60,21,271	55,77,42,041	70,37,63,312
Sep-15	14,60,21,271	7,98,08,083	22,58,29,354
Dec-15	14,60,21,271	7,98,08,083	22,58,29,354
Jan-16	1,54,52,17,168	-	1,54,52,17,168
Feb-16	1,23,22,08,000	-	1,23,22,08,000
Mar-16	7,33,85,821	14,01,76,166	21,35,61,987
Total	**4,34,30,70,643**	**3,20,34,30,134**	**7,54,65,00,777**

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
6. Other long-term liabilities		
Security Deposits from Unit Holders		
- a Subsidiary	90,70,00,000	26,20,00,000
- Others	5,78,04,130	5,84,06,630
Settelement on Account of Derivative Contracts (Refer Note No. 34.1(i))	38,49,99,999	-
Total	**1,34,98,04,129**	**32,04,06,630**
7. Long-term provisions		
Employee benefits		
Provision for Gratuity (Refer Note No. 40(b))	54,51,961	44,89,652
Provision for Leave Encashment (Refer Note No. 40(c))	33,50,231	32,10,604
Total	**88,02,192**	**77,00,256**
8. Short-term borrowings		
Secured loans		
- Short term loan from others (Refer Note No. 31.2.1 and Refer Note (A) below)	49,35,00,000	49,50,00,000
- Working capital facility (Cash Credit) from banks (Refer Notes No. 31.1 and (B & E) below) - Recalled	59,96,91,418	59,96,91,418
Unsecured loans		
- from Promoter Directors (Refer Note (C) below)	3,27,94,971	2,76,63,894
- from Others (Refer Notes No. 31.2 and (D & E) below)	6,87,00,000	5,50,00,000
Total	**1,19,46,86,389**	**1,17,73,55,312**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(A) Short term loan from other ₹ 49,35,00,000/-:

(a) Securities provided:
- Second charge on pari-passu basis on entire movable and immovable fixed assets of the company.
- Personal guarantee of two Promoter Directors of the Company.

(b) The above loans are secured by pledge of shares of the company held by a Promoter Director.

(c) Rate of interest on said loan is 14.10 % p.a.

(d) Repayment Schedule of Secured Loan (Refer Note No. 31.2.1)

(Amount in ₹)

Year	Other
During FY 2012-13	49,35,00,000
Total	49,35,00,000

(B) Working capital facility (Cash Credit) from banks:

(i) Securities provided :
- First charge on entire Current Assets of the Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project.
- Second charge on all the present and future movable and immovable fixed assets, assignment of rights and benefits but excluding project assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project.

(ii) The above loans are secured by joint and several irrevocable personal guarantees of two Promoter Directors of the Company.
(III) Further the loan is secured by shares pledged by the Promoter Directors.
(iv) Rate of interest on working capital is @ 13% p.a.

(C) Loans from promoter directors are interest free and repayable on demand.

(D) Unsecured Loan from others

(I) Loan of ₹ 5,00,00,000/-:
(a) Secured by personal guarantee of two Promoter Directors of the Company.
(b) Rate of interest on said loan is 12 % p.a.

(II) Intercorporate Deposit of ₹ 1,87,00,000/- is interest free and repayable on demand.

(E) Period and amount of continuing default in repayment of short-term borrowings as at March 31, 2016 are as under :

Year	Banks	Other	Total
FY 2014-15	59,96,91,418	50,00,000	60,46,91,418
Apr-15	-	50,00,000	50,00,000
May-15	-	50,00,000	50,00,000
Jun-15	-	50,00,000	50,00,000
Jul-15	-	50,00,000	50,00,000
Aug-15	-	50,00,000	50,00,000
Sep-15	-	50,00,000	50,00,000
Oct-15	-	50,00,000	50,00,000
Nov-15	-	50,00,000	50,00,000
Dec-15	-	50,00,000	50,00,000
Total	59,96,91,418	5,00,00,000	64,96,91,418

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
9. Trade Payables (Refer Note No. 26 & 36)		
(i) Total outstanding dues of micro enterprises and small enterprises	7,11,505	6,78,385
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,18,90,776	6,69,05,546
Total	2,26,02,281	6,75,83,931
10. Other Current liabilities		
Current maturities of long-term borrowings - Banks (Refer Note No. 5)*	5,25,27,06,815	28,30,44,100
Current maturities of long-term borrowings - Others (Refer Note No. 5)**	3,97,91,83,752	1,22,30,15,217
Current maturities of Vehicle Loan (Refer Note No. 5)	3,74,145	3,35,824
Interest accrued and due on Borrowings (Refer Note No. 5)#	5,59,83,47,040	3,90,65,88,558
Unclaimed dividend	4,364	11,89,870
Advance received from a subsidiary against land	-	92,15,06,551
Employees Dues (including full and final settelment dues of ₹ 2,96,78,512/- (P.Y. ₹ 2,27,85,758/-)	4,69,91,205	4,76,08,941
Statutory dues	8,96,96,526	8,59,53,558
Trade advances received	43,347	7,82,132
Interest on Delayed payment of Statutory Dues	4,17,50,072	2,54,44,065
Creditors for: (Refer Note No. 26 & 36)		
- Capital expenditure	22,73,33,186	22,24,98,093
- Expenses	12,74,68,876	13,95,36,658
Total	15,36,38,99,328	6,85,75,03,567

* includes loans recalled aggregating to ₹ 3,84,65,30,543/- from Banks.
** includes loans recalled aggregating to ₹ 1,37,11,46,530/- from Others.
# includes interest on loans recalled aggregating to ₹ 2,39,62,01,469/- from Banks and others.

Details of continuing default in payment of interest on secured loans as on 31st March, 2016 is as follows:

(Amount in ₹)

Year	Banks	Others	Total
FY 2012-13	96,49,74,450	84,35,28,440	1,80,85,02,890
FY 2013-14	-	18,67,70,591	18,67,70,591
FY 2014-15	78,05,87,706	75,55,70,733	1,53,61,58,439
Apr-15	7,70,40,410	7,26,03,608	14,96,44,018
May-15	8,04,13,656	7,51,55,148	15,55,68,804
Jun-15	7,86,32,634	7,10,20,926	14,96,53,560
Jul-15	8,20,96,354	6,50,75,374	14,71,71,728
Aug-15	8,29,12,534	5,40,42,480	13,69,55,014
Sep-15	11,51,55,414	5,11,97,629	16,63,53,043
Oct-15	8,72,22,578	4,76,97,807	13,49,20,385
Nov-15	8,52,92,238	4,70,86,408	13,23,78,646
Dec-15	8,90,31,649	4,72,75,165	13,63,06,814
Jan-16	8,98,99,031	3,58,66,742	12,57,65,773
Feb-16	8,50,39,880	2,43,13,980	10,93,53,860
Mar-16	9,16,99,562	2,56,36,914	11,73,36,476
Total	2,78,99,98,096	2,40,28,41,945	5,19,28,40,041

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
11. Short-term provisions		
Employee benefits (Leave encashment) (Refer Note No. 40(c))	6,48,070	6,30,097
Mark to Market on derivative contracts (Refer Note No. 34)	18,48,48,292	41,84,06,912
Total	18,54,96,362	41,90,37,009

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12. Fixed Assets (Amount in ₹)

	Description of assets	Gross Block				Depreciation / Amortization				Net Block	
		As at April 1, 2015	Additions	Adjustments /Deductions	As at March 31, 2016	As at April 1, 2015	For the Year	Adjustments /Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
	a) Tangibles										
1	Freehold Land*	5,64,87,83,596	1,89,55,76,438	12,70,87,777	7,41,72,72,257	-	-	-	-	7,41,72,72,257	5,64,87,83,596
2	Buildings	3,77,87,23,740	77,70,67,588	-	4,55,57,91,328	22,14,36,857	5,97,15,150	-	28,11,52,007	4,27,46,39,321	3,55,72,86,883
3	Leasehold Improvements	7,87,13,522	-	-	7,87,13,522	7,18,36,801	35,40,197	-	7,53,76,998	33,36,524	68,76,721
4	Plant and Machinery	52,04,42,695	1,26,002	-	52,05,68,697	10,92,37,418	3,50,11,571	-	14,42,48,989	37,63,19,708	41,12,05,277
5	Computers	8,01,25,292	6,500	-	8,01,31,792	6,93,59,299	38,44,980	-	7,32,04,279	69,27,513	1,07,65,993
6	Equipments	40,90,75,490	1,14,418	-	40,91,89,908	16,22,74,303	8,13,05,986	-	24,35,80,289	16,56,09,619	24,68,01,187
7	Vehicles #	2,14,21,038	-	74,73,925	1,39,47,113	1,36,49,721	18,41,447	64,40,495	90,50,673	48,96,440	77,71,317
8	Furniture and Fixtures	13,08,25,258	9,06,263	-	13,17,31,521	4,42,14,184	1,40,40,774	-	5,82,54,958	7,34,76,563	8,66,11,074
	Total (a)	**10,66,81,10,631**	**2,67,37,97,209**	**13,45,61,702**	**13,20,73,46,138**	**69,20,08,583**	**19,93,00,105**	**64,40,495**	**88,48,68,193**	**12,32,24,77,945**	**9,97,61,02,048**
	Previous Year	10,70,24,49,257	-	3,43,38,626	10,66,81,10,631	46,02,79,282	25,22,77,390	2,05,48,089	69,20,08,583	9,97,61,02,048	-
	b) Intangibles										
1	Softwares	30,86,27,790	-	19,03,612	30,67,24,178	21,31,75,250	3,65,49,677	18,08,432	24,79,16,495	5,88,07,683	9,54,52,540
2	Trade Mark and Patents	2,33,700	-	-	2,33,700	1,64,371	20,309	-	1,84,680	49,020	69,329
	Total (b)	**30,88,61,490**	**-**	**19,03,612**	**30,69,57,878**	**21,33,39,621**	**3,65,69,986**	**18,08,432**	**24,81,01,175**	**5,88,56,703**	**9,55,21,869**
	Previous Year	30,88,61,490	-	-	30,88,61,490	15,18,82,676	6,14,56,945	-	21,33,39,621	9,55,21,869	-
	Total (a+b)	**10,97,69,72,121**	**2,67,37,97,209**	**13,64,65,314**	**13,51,43,04,016**	**90,53,48,204**	**23,58,70,091**	**82,48,927**	**1,13,29,69,368**	**12,38,13,34,648**	**10,07,16,23,917**
	Previous Year Total	11,01,13,10,747	-	3,43,38,626	10,97,69,72,121	61,21,61,958	31,37,34,335	2,05,48,089	90,53,48,204	10,07,16,23,917	-

Notes:

***a. Freehold Land:** includes of ₹ 97,35,11,038/- (₹ 97,35,11,038/-) situated at Nagpur, which is under possession of a lender as per the Order of Hon'ble High Court of Bombay.

 # b. Gross block includes cost of vehicles taken on finance lease ₹ 19,27,408/- (P.Y. ₹ 19,27,408/-).

c.The Board of Directors at their meeting held on 28th March, 2014, based on valuation report from an approved valuer revalued the land to reflect its current Market Value. Accordingly, based on the said valuation the difference between the current Market Value of Land and Land Development charges of ₹ 5,64,87,83,596/- over its book value of ₹ 3,35,22,27,357/-, amounting to ₹ 2,29,65,56,239/- was credited to "Revaluation Reserve"in F.Y. 2013-14. During the year the Company has sold certain parcels of land located at Khurja and Nagpur of book value aggregating to ₹ 9,22,43,217/- which were revalued at ₹ 12,70,87,777/-. The difference between book value and revalued amout of ₹ 3,48,44,560/- is adjusted to Revaluation Reserve (Refer Note No. 4)

d. Refer Note No. 32 relating to Component Accounting.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
13. Non-current Investments (Refer Note No. 33)		
Valued at Cost unless otherwise stated		
In Subsidiary companies - (Trade - unquoted)		
3,00,000 (P.Y.3,00,000) Equity shares of Arshiya Hong Kong Limited of USD 1/- each	5,32,50,000	5,32,50,000
25,00,000 (P.Y.25,00,000) Equity shares of Cyberlog Technologies International Pte. Limited of SGD 0.10 each	6,05,00,000	6,05,00,000
1,00,000 (P.Y.1,00,000) Equity shares of Arshiya International Singapore Pte Limited of SGD 1/- each	34,31,000	34,31,000
33,08,333 (P.Y.33,08,333) Equity shares of Arshiya Supply Chain Management Private Limited of ₹ 10/- each.	42,59,99,920	42,59,99,920
1,35,86,659 (P.Y.1,35,86,659) Equity shares of Arshiya Industrial & Distribution Hub Limited of ₹ 10/- each * @	2,20,56,15,066	2,20,56,15,066
1,10,50,000 (P.Y.1,10,50,000) Equity shares of Arshiya Central FTWZ Limited of ₹ 10/- each, fully @	11,05,00,000	11,05,00,000
3,87,32,491 (P.Y.3,87,32,491) Equity shares of Arshiya Rail Infrastructure Limited of ₹ 10/- each @	2,34,15,98,560	2,34,15,98,560
95,50,626 (P.Y.95,50,626) Equity shares of Arshiya Northern FTWZ Limited of ₹ 10/- each * @	3,14,44,77,790	3,14,44,77,790
50,000 (P.Y.50,000) Equity shares of Arshiya Transport And Handling Limited of ₹ 10/- each	5,00,000	5,00,000
10,000 (P.Y.10,000) Equity shares of Arshiya Technologies (India) Private Limited of ₹ 10/- each	1,00,000	1,00,000
Total	**8,34,59,72,336**	**8,34,59,72,336**
Less :		
Provision for diminution in the value of Investments (Refer Note No. 33)	**35,31,000**	**35,31,000**
	8,34,24,41,336	**8,34,24,41,336**
(All the above equity shares are fully paid up)		
Aggregate book value of unquoted investments	**8,34,59,72,336**	**8,34,59,72,336**
Provision for diminution in the value of Investments	**35,31,000**	**35,31,000**

@ Includes i) 79,46,624 (P.Y.79,46,624) equity shares in Arshiya Northern FTWZ Limited,
ii) 1,35,86,659 (P.Y.51,05,769) equity shares in Arshiya Industrial & Distribution Hub Limited,
iii) 3,87,32,491 (P.Y.1,54,78,500) equity shares in Arshiya Rail Infrastructure Limited and
iv) 1,10,49,400 (P.Y.1,10,49,400) equity shares in Arshiya Central FTWZ Limited
which are pledged with lenders for loans granted to subsidiaries.

(Amount in ₹)

Particulars	Non-current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
14. Loans and advances (Unsecured)				
Capital advances (Considered Good)	43,96,93,868	14,65,00,000	-	-
Security Deposits	68,79,400	3,07,39,188	-	-
Loan and Advances to Subsidiaries (Refer Note No. 43)	72,94,27,054	54,76,52,492	-	-
Others				
Advances to Vendors	-	-	52,66,982	2,51,22,416
Tax Deducted at Source	13,17,54,801	17,45,30,084	-	-
Indirect tax refund receivable (Refer Note No. 38)	-	-	19,38,98,520	20,17,64,820
Prepaid expenses	-	14,24,410	26,13,006	5,33,656
Others (Refer Note No. 35)	-	-	61,66,529	31,01,229
	13,17,54,801	**17,59,54,494**	**20,79,45,037**	**23,05,22,121**
Total	**1,30,77,55,123**	**90,08,46,174**	**20,79,45,037**	**23,05,22,121**

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
15. Trade receivables		
Debts outstanding for a period exceeding six months		
Considered Good	39,42,952	1,27,21,926
Considered Doubtful	35,00,000	-
	74,42,952	**1,27,21,926**
Less: Provision for doubtful debts	35,00,000	-
	39,42,952	**1,27,21,926**
Other debts	11,78,35,218	2,09,12,246
Total	**12,17,78,170**	**3,36,34,172**

(Amount in ₹)

Particulars	Current	
	As at 31st March, 2016	As at 31st March, 2015
16. Cash and bank balances		
Cash and cash equivalents		
Balances with banks	3,88,81,335	1,96,62,427
Cash on hand	2,11,492	4,25,155
	3,90,92,827	**2,00,87,582**
Other bank balances		
Margin money deposit (pledged against bank guarantee)	5,48,697	5,18,352
Balance with bank relating to unpaid dividend	4,364	12,38,328
	5,53,061	**17,56,680**
Total	**3,96,45,888**	**2,18,44,262**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

PARTICULARS		Year Ended 31st March, 2016	Year Ended 31st March, 2015
17. Revenue from operations			
Revenue from Sale of Services:			
- Logistic operations		-	9,44,185
- Free Trade and Warehousing Zone operations		64,28,33,494	50,41,08,844
	Total	**64,28,33,494**	**50,50,53,029**
18. Other income			
Interest Income			
- Fixed Deposit		13,77,460	46,811
- Others		14,62,186	-
Foreign Exchange Gain (Net)		8,66,908	22,03,920
Excess provision no longer required written back		-	23,94,971
Miscellaneous Income		11,67,493	13,77,206
	Total	**48,74,047**	**60,22,908**
19. Cost of operations			
Logistic operations		-	6,52,600
Free Trade and Warehousing Zone operations		4,00,52,581	3,53,60,081
	Total	**4,00,52,581**	**3,60,12,681**
20. Employee benefits			
Salary, bonus and other allowances		16,96,70,261	15,56,39,865
Contribution to provident and other funds		47,55,103	22,69,498
Staff welfare expenses		30,75,650	19,88,949
	Total	**17,75,01,014**	**15,98,98,312**
21. Finance costs			
Interest expense:			
- on Borrowings (Refer Note No. 31)		1,73,87,77,433	2,11,42,99,934
- on delayed payment of TDS		1,69,16,797	1,45,94,493
Other borrowing costs		39,24,521	31,88,863
	Total	**1,75,96,18,751**	**2,13,20,83,290**
22. Other expenses			
Electricity charges		1,91,51,982	1,45,43,134
Rent		1,87,20,000	3,23,32,784
Repairs and maintenance:			
- Building		1,09,17,884	56,12,239
- Plant and Machinery		1,11,58,865	85,53,974
- Others		24,28,608	35,64,887
Insurance		16,88,140	27,19,666
Rates and taxes		8,45,739	15,22,398
Communication expenses		34,69,931	43,99,812
Travelling and conveyance expenses		1,93,77,726	1,79,56,985
Vehicle expenses		72,79,187	68,25,882
Printing and stationery		35,76,537	28,47,673
Legal and professional fees		1,87,23,513	3,83,17,034
Security charges		1,89,69,677	2,04,15,761
Auditor's remuneration:			
- Audit Fees		41,00,000	33,00,000
- Other Services		11,00,000	-
- Certification fees		18,500	23,400
- Reimbursement of expenses		55,000	47,500
Advertisement and Business Promotion expenses		60,74,834	1,37,45,031
Provision for Doubtful debts		35,00,000	-
Miscellaneous expenses		1,01,75,371	1,34,49,926
	Total	**16,13,31,494**	**19,01,78,086**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

23 Contingent Liabilities not provided for in respect of:

(Amount in ₹)

Sr. No.	Particulars	31st March, 2016	31st March, 2015
(i)	Disputed Income Tax demands	3,31,28,826	14,05,53,059
(ii)	Disputed Sales Tax demands	20,51,279	20,51,279
(iii)	Disputed Local Body Tax demands	1,60,33,355	1,60,33,355
(iv)	Claims against the Company not acknowledged as debts	37,80,95,028	27,09,23,125
(v)	Right to recompense by Secured Lenders	-	73,35,00,000
(vi)	Guarantees (excluding interest) given on behalf of subsidiaries towards loans availed by them. The Outstanding balances of such loans (excluding interest) against such guarantees aggregating to ₹ 14,58,09,61,506/- (P.Y. ₹14,16,61,40,069/-)	17,49,97,19,332	17,73,47,19,332
(vii)	Bank Guarantee	5,00,000	5,00,000

24 Corporate Guarantee

(i) With respect to Arshiya Northern FTWZ Limited (ANFL) and Arshiya Industrial & Distribution Hub Limited (AIDHL) (subsidiaries), Punjab National Bank (Bank), on behalf of certain Consortium Banks of these subsidiaries, has initiated debt recovery action under Section 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) vide notice dated 14th October, 2015 aggregating to ₹ 3,22,23,46,819/- (being dues from ANFL) and notice dated 19th October, 2015 aggregating to ₹ 5,86,57,51,992/- (being dues from AIDHL). The bank has invoked the Corporate Guarantees issued by the Promoter Company, Arshiya Limited and personal guarantees of Promoter Directors i.e. Mr. Ajay S Mittal and Mrs. Archana A Mittal. Further on 19th January, 2016 the subsidiaries received a Notice of possession from the authorized officer of the bank under power conferred on the bank u/s 13(4) of the said Act read with Rule 8(1) of the Rules.

(ii) The subsidiaries have requested the banks to withdraw the said notices and support their revival efforts.

(iii) Given the above, the Company is of the view that:

(a) at this juncture there is no obligation which is expected to result in an outflow of resources from the Company and hence not provided for

(b) the disclosure, of the Corporate Guarantees issued by the Company to the Consortium Banks on behalf of its subsidiaries under the head Contingent Liabilities not provided for in respect of Guarantees given, is adequate.

25 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital and other accounts and not provided for (net of advances paid) are ₹ 14,93,03,552/- (P.Y. ₹ 52,82,42,998/-).

26 Details of dues to Micro, Small And Medium Enterprises as per MSMED Act, 2006

(Amount in ₹)

S. No.	Description	As at 31st March 2016	As at 31st March 2015
a)	Principal amount due and remaining unpaid	7,11,505	6,78,385
b)	Interest due on above	-	-
c)	Payment made beyond the appointed day during the year	-	-
d)	Interest paid	-	-
e)	Interest due and payable for the period of delay	-	-
f)	Interest accrued and remaining unpaid	-	-
g)	Amount of further interest remaining due and payable in succeeding years	-	-

Note: Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company and relied upon by the Auditors.

27 In the opinion of the Management, Current Assets, Loans and Advances and Current Liabilities are approximately of the value stated, if realized/paid in the ordinary course of business. The provisions for depreciation and for all known liabilities are adequate and are not in excess of the amounts considered reasonably necessary.

28 Details of Exceptional Items (net) are as under:

(Amount in ₹)

Sr.No.	Particulars	Year Ended 31st Mar 2016	Year Ended 31st Mar 2015
a)	Diminution in the value of investments in equity shares (Refer Note No. 33)	-	35,31,000
b)	Bad debts written off	22,31,329	5,54,39,624
c)	Loss on sale of assets	3,38,06,521	-
d)	Mark to Market losses (Refer Note No. 34)	20,41,90,694	7,92,49,269
e)	Recovery of expenses provided in prior year	(42,09,806)	-
f)	Fixed assets/other assets written off	1,74,80,56,510	1,37,90,537
g)	Corporate debt revival and advisory fees	1,00,00,000	-
h)	Irrecoverable advance written off (net)	2,66,72,545	-
i)	Provision for interest on statutory dues written back	-	(3,04,24,584)
j)	Sundry balance written back/off (net)	(6,96,47,097)	81,15,039
k)	Forfeiture of capital advance received	(92,04,92,975)	-
l)	Excess provision written back	(24,84,145)	(2,07,06,867)
	Total	**1,02,81,23,576**	**10,89,94,018**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29 Preparation of financial statements on " Going Concern" basis

The financial statements of the Company have been prepared on a "Going Concern" basis in view of the Revival plans referred to in Note No. 30.

30 Revival Plans

The Management of the Company is restructuring its business operations as also those of its subsidiaries in which it has substantial investments, by –

- expanding the business volumes by changing product mix,
- clarity and resolution of regulatory issues,
- increasing client base by inducting more Fortune 500 companies,
- commencing Inland Container Depot (ICD) operations at Khurja in April 2016,
- support from ARC in terms of Growth Capital / Working Capital support granted to its subsidiary,
- revamping the entire business with an emphasis on operational efficiency.

31 Secured Lenders (Banks):

31.1 Loans other than assigned to Asset Reconstruction Company(ARC):

During the financial year 2013-2014, Secured Lenders (Banks) had approved the restructuring package under "Corporate Debt Restructuring Package" (CDR). The Company has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted into Company's borrowings becoming "Non-Performing Assets" (NPAs) with the Banks. Such defaults entitle the CDR lenders to revoke the CDR Package approved by them and hence the CDR Lenders decided to exit the CDR.

Further to the above, CDR-EG issued a letter dated 29th December, 2015 approving the exit from CDR on account of failure of the restructuring package. Upon exit, lenders are entitled to exercise rights and remedies available under the original loan documents. In the absence of any communication from these lenders, the Company has not provided for additional interest from CDR cut-off date till 31st March 2016 estimated at ₹ 52,12,55,520/- which arises on account of difference between interest rate as approved under CDR package and interest rate decided as per original sanction terms and penal interest on overdue amount of interest and installment. Had the Company provided for additional Interest, as stated above, on such loans, the loss before tax for the year ended 31st March, 2016 would have been higher by ₹ 52,12,55,520/-. Upon reconciliation and finalization of the estimated entitlements of these lenders, the Company will recognize the liability in its books during the year in which finality is reached.

31.2 Loans Assigned to Asset Reconstruction Company (ARC):

(i) Some of the Secured CDR Lenders had assigned their outstanding dues to an ARC, aggregating to ₹ 6,38,69,40,986/- on the same terms and conditions as per the original loan documents.

(ii) Pending finalization of the terms of restructuring with ARC, the Company has not provided for Interest aggregating to ₹ 43,25,88,993/- on loans assigned to the ARC from the respective dates of assignment.

(iii) Consequent to CDR exit, the Company has not provided for additional estimated interest (from CDR cut-off date till 31st March 2016) aggregating to ₹ 35,16,64,164/-.

Had the Company provided for interest on such assigned loans, the loss before tax for the year would have been higher by ₹78,42,53,157/-.

(iv) On finalization of the terms of restructuring with ARC, the Company will record the effect of the revised terms as to repayment of principal and Interest (including penal interest if any) as referred to in 31.2(ii) and 31.2(iii), in the period in which it is completed.

31.2.1 A Bank has assigned its dues to ARC aggregating to ₹ 86,92,68,625/- (being principle ₹ 49,35,00,000/- and interest ₹37,57,68,625/-) on the same terms and conditions as per the original financing documents. ARC and the Company have filed Consent Terms with the Hon'ble Bombay High Court. On the basis of said consent terms Company has not provided for interest of ₹ 7,29,88,927/- on loan assigned to ARC from the date of assignment.

Had the Company provided for interest on above loan, the loss before tax for the year would have been higher by ₹ 7,29,88,927/-.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32 Fixed Assets and Depreciation

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after 1st April, 2014, the Company has re-worked depreciation with reference to the useful lives of Fixed Assets prescribed by PART 'C' of Schedule II to the Act. Where the remaining useful life of an asset is nil, the carrying amount of the asset after retaining the residual value, as at 1st April, 2014 has been adjusted to the balance of Statement of Profit and Loss. In other cases the carrying values have been depreciated over the remaining useful lives of the assets and recognized in the Statement of Profit and Loss.

Since then, as per the amendment dated 20th August, 2014, the useful life specified in Part C- of Schedule II has been defined to mean that if the cost of a part of asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately and depreciated accordingly.

In the opinion of the Management, the Company's assets are such that there are no significant parts thereof whose life would be different than the useful life of the whole asset (Component accounting being a technical matter, the opinion of the Management is relied upon by the Auditors). Consequently, the Company has continued to provide depreciation in respect of all its assets on the basis as was followed in the financial year 2014-15, i.e. based on useful lives of the respective assets.

33 Investments

The Company holds strategic and long term investments by way of equity shares in its subsidiaries, the aggregate cost of which is ₹ 8,34,59,72,336/- as on 31st March, 2016. The present "net asset value" of the said investments are either negative/lower than their costs of acquisition. Considering that the said investments are long-term and strategic in nature and the said subsidiaries are implementing their respective Revival Plans along with the future business plans of the Company, the Management is of the view that, the diminution in value of its investments being temporary in nature, no further provision for diminution in value is called for at this juncture, except in case of two subsidiaries as stated below, for which the Company has already made provision of ₹ 35,31,000/- for diminution in value of investments in the previous year.

Name of the Subsidiary	Amount in ₹
Arshiya International Singapore Pte. Limited	34,31,000
Arshiya Technologies (India) Private Limited	1,00,000
Total	**35,31,000**

34 Mark to Market Losses (MTM)

34.1 Axis Bank

(i) The Company has terminated the cross currency swap derivative contract with Axis Bank Limited on 30th September, 2015 for an agreed valuation of ₹ 42,00,00,000/- of which the balance as on 31st March 2016 is ₹ 38,49,99,999/-. The Company had already provided for an amount of ₹25,52,18,817/- for the MTM loss upto 30th June, 2015. The balance amount of ₹16,47,81,183/- was provided for as an exceptional item in the quarter ended 30th September, 2015.

(ii) The Company has entered into a new INR to USD Principal only Swap contract with Axis Bank Limited on 30th September, 2015, with effect from 5th October, 2015, the maturity date being 30th September, 2020 for a notional amount of ₹2,50,00,00,000/- (USD 3,80,74,931/-). During the year the Company has provided an amount of ₹2,26,54,585/- in respect of MTM losses based on determination of fair market value of derivatives entered into by the Company. The Company is of the view that MTM loss has to be worked out taking into account the spot exchange rate(s) on the reporting date as it is committed to continue derivative contracts till their maturity and hence, applying the fair market values presuming that the derivative contracts would be cancelled on the reporting date, shall not reflect the correct financial position. However, the Bank which has entered into derivative contract with the Company has intimated that, the loss on account of MTM is ₹ 12,98,26,488/- as on 31st March, 2016 as against the amount of ₹ 2,26,54,585/-, determined by the Company, which is disclosed as Exceptional Item.

34.2 Kotak Mahindra Bank Limited

In respect of derivative contracts entered into by the company with ING Vysya Bank (now amalgamated with Kotak Mahindra Bank Limited w.e.f. 1st April, 2015), the bank had prematurely terminated the contracts and had demanded termination and liquidation fees aggregating to ₹ 28,75,00,000/-, which are disputed by the Company and hence not provided for.

35 Other Advances

Other Advances includes ₹ 61,66,529/- as on 31st March, 2016 comprising of cash seized by the Income Tax department from the Company and its subsidiaries at the time of search on 13th June, 2014, as detailed below:

Name of the Company	Amount in ₹
Arshiya Limited	31,01,229
Arshiya Supply Chain Management Private Limited	10,65,300
Arshiya Rail Infrastructure Limited	20,00,000
Total	**61,66,529**

During the year the Company has requested Income Tax Department to adjust cash seized by the Income Tax department as stated above against the outstanding tax dues of the Company for Assessment Year 2013-14.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36 Proceedings against Company

Certain lenders and creditors have filed winding up petitions/cases/other legal proceedings for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. Claims by the said lenders and creditors have been contested by the Company in those proceedings and not acknowledged as debts. It is not possible at this juncture to estimate the financial implications of such claims.

37 Scheme of Amalgamation of Arshiya FTWZ Limited and Arshiya Domestic Distripark Limited

The Scheme of Amalgamation of Arshiya FTWZ Limited and Arshiya Domestic Distripark Limited with the Company became effective from 4th January, 2013.The entire undertaking of the transferor companies including all assets, liabilities and reserves vested in the Company on the appointed dated, i.e.1st April, 2012 for which necessary impact had been given in the accounts for the year ended 31st March, 2013. However, land belonging to Arshiya Domestic Distripark Limited has yet not been transferred in the name of the Company.

38 Maharashtra VAT Refund Receivable

38.1 As per the Notification dated 16th May. 2013. issued by the government of Maharashtra. MVAT exemption/refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Company has claimed refund of ₹16,84,56,227/- in respect of transactions prior to record date. The Company is of the view that the state government has exempted it from local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra.

38.2 The Company has filed a writ petition in the High Court of Bombay challenging the constitutional validity of MVAT on various grounds and has claimed refund of ₹16,84,56,227/-. The petition has been admitted and issues are framed and further hearing and final disposal is pending.

38.3 Accordingly, these financial statements reflect a sum of ₹16,84,56,227/- as refund receivable on account of MVAT. In case the refund is not granted. the necessary adjustment entries shall be recorded in the year in which finality is reached.

39 Taxation

39.1 In view of loss for the year as calculated as per the provisions of the Income Tax Act, 1961 (The "Act"), no provision for taxation has been made.

39.2 Deferred Tax Assets consist of substantial amounts of carry forward losses and unabsorbed depreciation under the Income Tax Act, 1961. However, since the availability of sufficient future taxable income against which the said benefits can be set off is not possible to be ascertained with virtual certainty, Deferred Tax Assets have not been recognised as a measure of abundant caution.

40 Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits

(a) Brief descriptions of the plans

The Company's defined contribution plans are Provident Fund and Employees State Insurance where the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity. The employees are also entitled to leave encashment as per the Company's policy.

(b) Defined benefit plan – Gratuity (Funded)

Particulars	31st March 2016	31st March 2015
I. Actuarial assumptions		
Discount rate	7.55%	7.80%
Rate of return on plan assets	7.55%	9.00%
Salary Escalation Rate	7.00%	7.00%
Attrition rate	15.00%	15.00%
II. Change in defined benefit obligations		
Liability as at the beginning of the year	57,61,500	80,70,837
Interest cost	4,19,269	7,49,781
Current service cost	17,55,573	19,45,184
Benefits paid	(7,72,500)	-
Actuarial (gain)/loss on obligations	(3,33,835)	(50,04,302)
Liability as at the end of the year	68,30,007	57,61,500
III. Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	12,71,848	3,65,830
Expected return on plan assets	1,14,466	31,827
Actual Enterprise's Contributions	7,72,500	-
Benefits paid	(7,72,500)	-
Actuarial gain/(loss) on plan assets	(8,268)	8,74,191
Fair value of plan assets as at the end of the year	13,78,046	12,71,848
IV. Actual return on plan assets		
Expected return on plan assets	1,14,466	31,827
Actuarial gain/(loss) on plan assets	(8,268)	8,74,191
Actual return on plan assets	1,06,198	9,06,018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

V. Liability recognised in the Balance Sheet		
Liability as at the end of the year	68,30,007	57,61,500
Fair value of plan assets as at the end of the year	13,78,046	12,71,848
Liability recognised in the Balance Sheet	54,51,961	44,89,652
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VII. Expenses recognised in the Statement of Profit and Loss		
Current service cost	17,55,573	19,45,184
Interest cost	4,19,269	7,49,781
Expected return on plan assets	(1,14,466)	(31,827)
Net actuarial (gain)/loss to be on obligation	(3,25,567)	(58,78,493)
Expense recognised in Statement of Profit and Loss	17,34,809	(32,15,355)
VIII. Balance Sheet reconciliation		
Opening net liability	44,89,652	77,05,007
Expenses as above	17,34,809	(32,15,355)
Actual Employer Contribution	(7,72,500)	-
Closing net liability	54,51,961	44,89,652
IX. Expected employers contribution in next year		
As per actuarial valuation report	8,44,930	6,54,508

(c) Leave Encashment (unfunded): **(Amount in ₹)**

Particulars	**31st March 2016**	**31st March 2015**
I. Actuarial assumptions		
Discount rate	7.55%	7.80%
Salary Escalation Rate	7.00%	7.00%
Attrition rate	15.00%	15.00%
II. Change in defined benefit obligations		
Liability as at the beginning of the year	38,40,701	51,16,488
Interest cost	2,37,786	3,71,990
Current service cost	11,51,151	12,75,482
Benefits paid	(15,84,318)	(22,24,580)
Actuarial (gain)/loss on obligations	3,52,981	(6,98,679)
Liability as at the end of the year	39,98,301	38,40,701
III. Liability recognised in the Balance Sheet		
Current Liability as at the end of the year	6,48,070	6,30,097
Non Current Liability as at the end of the year	33,50,231	32,10,604
Liability recognised in the Balance Sheet	39,98,301	38,40,701
IV. Expenses recognised in the Statement of Profit and Loss		
Current service cost	11,51,151	12,75,482
Interest cost	2,37,786	3,71,990
Net actuarial (gain)/loss	3,52,981	(6,98,679)
Expense recognised in Statement of Profit and Loss	17,41,918	9,48,793
V. Balance Sheet reconciliation		
Opening net liability	38,40,701	51,16,488
Expenses as above	17,41,918	9,48,793
Benefits Paid	(15,84,318)	(22,24,580)
Closing net liability	39,98,301	38,40,701

Notes:
"Contribution to provident and gratuity fund" is recognised as an expense in Note No. 20 of the statement of Profit and Loss.

41 Disclosure pursuant to Accounting Standard 17 – Segment Information

The Company is primarily engaged in providing end to end supply and demand chain solutions to its customers in FTWZ. In the opinion of the Company, the entire business is governed by same set of risks and returns and hence, the same has been considered as representing a single primary segment. The Company provides services within India and hence, doesn't have any operations in economic environments with different risks and returns. Hence, it is considered that the Company is operating in single geographical segment.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42 Related party disclosures, as required by Accounting Standard 18 "Related Party Disclosures" as given below:

Name of the entity	Country of Incorporation	Proportion of interest (including beneficial interest)/voting power (either directly/indirectly or through subsidiaries)
Direct Subsidiaries:		
Arshiya Hong Kong Limited	Hong Kong	100% (100%)
Cyberlog Technologies International Pte. Limited	Singapore	100% (100%)
Arshiya International Singapore Pte. Limited	Singapore	100% (100%)
Arshiya Supply Chain Management Private Limited $	India	100% (100%)
Arshiya Transport and Handling Limited	India	100% (100%)
Arshiya Northern FTWZ Limited	India	100% (100%)
Arshiya Central FTWZ Limited $$	India	100% (100%)
Arshiya Industrial & Distribution Hub Limited $$$	India	100% (100%)
Arshiya Rail Infrastructure Limited @	India	100% (100%)
Indirect Subsidiaries:		
Held through Cyberlog Technologies International Pte. Limited		
Cyberlog Technologies (UAE) FZE	U.A.E.	100% (100%)
Arshiya Technologies (India) Private Limited *	India	100% (100%)
Held through Arshiya Rail Infrastructure Limited:		
Arshiya Rail Siding and Infrastructure Limited	India	100% (100%)

Note: Percentage given in bracket relates to previous year.
$ 12.64% (12.64%) held through Arshiya Northern FTWZ Limited
$$ 48.33 % (48.33 %) held through Arshiya Hongkong Limited
$$$ 9.38 % (9.38 %) held through Cyberlog Technologies (UAE) FZE
@ 5.27 % (5.27%) held through Arshiya Hongkong Limited
* 9.89 % (9.89%) held through the Company

(a) (I) Key Management Personnel
Mr. Ajay S Mittal – Chairman and Managing Director
Mrs. Archana A Mittal – Joint Managing Director
Mr. Subhrarabinda Birabar – Chief Executive Officer (Resigned w.e.f. 17/03/2016)
Mrs. Savita Dalal – Company Secretary (w.e.f. 10/07/2015)
Mr. V. L. Ganesh – Chief Financial Officer (w.e.f. 10/07/2015 to Resigned w.e.f. 19/02/2016)
Mr. Vaibhav Bhakhare - Company Secretary (Resigned w.e.f. 31/03/2015)
Mr. Shyam Rathi - Chief Financial Officer (Resigned w.e.f. 14/11/2014)

(II) Relative of Key Management Personnel
Mr. Ananya Mittal – Vice President Corporate Strategy (Arshiya Industrial & Distribution Hub Limited)

Note:
The related party relationships have been determined by the management on the basis of the requirements of AS-18 and the same have been relied upon by the auditors.

The nature and amount of transactions with the above related parties are as follows

(Amount in ₹)

Nature of transactions	Name of the Party	2016	2015
Revenue from operations	Arshiya Supply Chain Management Private Limited	39,12,81,394	33,46,35,555
Remuneration paid	Mr. Subhrarabinda Birabar	1,13,19,042	19,03,332
	Mr. Vaibhav Bakhare	-	15,89,019
	Mr. Shyam Rathi	-	42,86,879
	Mr. V. L. Ganesh	48,23,337	-
Advance received for expenses	Arshiya Technologies (India) Private Limited	12,84,044	-
Expenses incurred on behalf of a subsidiary	Arshiya Technologies (India) Private Limited	39,674	-
Refund of advance received for expenses	Arshiya Technologies (India) Private Limited	12,44,370	-
Loans and advances given	Arshiya Rail Infrastructure Limited	11,64,93,001	8,96,79,927

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Arshiya Northern FTWZ Limited	7,43,56,410	3,34,32,529
	Arshiya Industrial & Distribution Hub Limited	1,09,91,467	1,84,08,984
	Arshiya Transport and Handling Limited	10,83,452	34,85,547
Loans and advances given repaid/adjusted	Arshiya Rail Infrastructure Limited	2,03,01,903	4,26,20,816
	Arshiya Northern FTWZ Limited	1,18,813	37,58,983
	Arshiya Industrial & Distribution Hub Limited	7,00,958	55,270
	Arshiya Technologies (India) Private Limited	28,094	-
	Arshiya Transport and Handling Limited	-	1,34,000
Land Sold	Arshiya Rail Infrastructure Limited	70,37,907	-
Loans and advances taken	Mr. Ajay S Mittal	-	2,50,00,000
	Mrs. Archana A Mittal	53,48,30,288	22,48,95,874
Loans and advances taken repaid/adjusted	Mr. Ajay S Mittal	27,633	2,23,71,600
	Mrs. Archana A Mittal	10,99,21,577	4,14,64,643
Loans and advances adjusted against land advance	Arshiya Central FTWZ Limited	10,13,576	1,12,856
Forfeiture of Capital Advances	Arshiya Central FTWZ Limited	92,04,92,975	-
Conversion of Loan/Warrants into Equity	Mr. Ajay S Mittal		
	Against Warrants	-	20,60,25,000
	Against Unsecured Loan	-	41,34,24,680
	Mrs. Archana A Mittal		
	Against Warrants	-	6,88,75,000
	Against Unsecured Loan	41,97,50,000	88,31,75,320
Security Deposit received	Arshiya Supply Chain Management Private Limited	64,50,00,000	26,00,00,000
Corporate guarantees/securities given	Arshiya Rail Infrastructure Limited	6,50,00,000	-
	Arshiya Supply Chain Management Private Limited	1,85,00,00,000	-
Corporate guarantees/securities Cancelled	Arshiya Supply Chain Management Private Limited	1,85,00,00,000	-
	Arshiya Northern FTWZ Limited	30,00,00,000	-
Closing Balances as at March 31, 2016			
Loans and advances given	Arshiya Rail Infrastructure Limited	16,25,56,625	6,63,65,527
	Arshiya Industrial & Distribution Hub Limited	5,38,92,163	4,36,01,654
	Arshiya Transport and Handling Limited	10,49,20,823	10,38,37,371
	Arshiya Northern FTWZ Limited	40,80,57,443	33,38,19,846
	Arshiya Technologies (India) Private Limited	-	28,094
Trade receivables	Arshiya Supply Chain Management Private Limited	7,73,00,143	2,86,152
Advance against land	Arshiya Central FTWZ Limited	-	92,15,06,549
Security deposit Received	Arshiya Supply Chain Management Private Limited	90,70,00,000	26,20,00,000
Loans taken	Mr. Ajay S Mittal	3,750	31,383
	Mrs. Archana A Mittal	3,27,91,222	2,76,32,511
Investment in subsidiaries (Refer Note No. 33)	Arshiya Industrial & Distribution Hub Limited	2,20,56,15,066	2,20,56,15,066
	Arshiya Northern FTWZ Limited	3,14,44,77,790	3,14,44,77,790
	Arshiya Rail Infrastructure Limited	2,34,15,98,560	2,34,15,98,560
	Arshiya Supply Chain Management Private Limited	42,59,99,920	42,59,99,920
	Arshiya Central FTWZ Limited	11,05,00,000	11,05,00,000
	Arshiya Hongkong Limited	5,32,50,000	5,32,50,000
	Cyberlog Technologies International Pte. Limited	6,05,00,000	6,05,00,000
	Arshiya International Singapore Pte. Limited	34,31,000	34,31,000
	Arshiya Transport and Handling Limited	5,00,000	5,00,000
	Arshiya Technologies (India) Private Limited	1,00,000	1,00,000
Corporate guarantees/securities given	Arshiya Northern FTWZ Limited	3,26,11,00,000	3,56,11,00,000
	Arshiya Rail Infrastructure Limited	7,65,48,19,332	7,58,98,19,332
	Arshiya Supply Chain Management Private Limited	1,85,00,00,000	1,85,00,00,000
	Arshiya Industrial & Distribution Hub Limited	4,73,38,00,000	4,73,38,00,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

43 Loans and Advances in the nature of Loans to Subsidiaries (Pursuant to the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015):

Loans and Advances to Subsidiaries

(Amount in ₹)

Name of the Subsidiary (including indirect subsidiary)	Amount outstanding as on March 31, 2016	Maximum amount outstanding during the year
Arshiya Supply Chain Management Private Limited	- -	- (1,24,43,369)
Arshiya Rail Infrastructure Limited	16,25,56,625 (6,63,65,527)	16,61,23,072 (7,35,65,124)
Arshiya Transport and Handling Limited	10,49,20,823 (10,38,37,371)	10,49,20,823 (10,38,37,371)
Arshiya Industrial & Distribution Hub Limited	5,38,92,163 (4,36,01,654)	5,38,92,163 (4,36,01,654)
Arshiya Northern FTWZ Limited	40,80,57,443 (33,38,19,846)	40,80,57,442 (33,38,19,846)
Arshiya Technologies (India) Private Limited	- (28,094)	47,448 (28,094)
Total	**72,94,27,054** **(54,76,52,492)**	

(Figures in brackets denote those of the previous year)

44 Disclosure pursuant to Accounting Standard 19 – Leases

Finance Lease

The Company has acquired vehicles under finance lease. Details of lease rentals payable are as follows:

(Amount in ₹)

Particulars	Not later than one year	Later than one year but not later than five years	Later than five years
Minimum lease payments	4,22,304 (4,22,304)	2,46,344 (6,68,648)	- -
Less: Finance charges payable	48,159 (86,507)	8,676 (56,835)	- -
Present value of lease rentals	3,74,145 (3,35,797)	2,37,668 (6,11,813)	- -

Operating Lease

The Company has taken certain offices on cancellable operating lease, which are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such lease are ₹ 1,87,20,000/- (₹ 3,23,32,784/-).

45 **Earnings per share:**

Particulars	31st March 2016	31st March 2015
Loss for the year after tax (Amount in ₹)	(2,78,39,49,721)	(2,44,00,31,961)
Weighted average number of shares (Number)	14,19,16,658	10,69,22,623
Nominal value per share (Amount in ₹)	2	2
Earnings per share – Basic and Diluted (Amount in ₹)	(19.62)	(22.82)

46.1 **Remuneration of ₹ 114.82 lacs paid/provided to the Executive Director for F.Y. 2013-14:**

The Company had filed an application to the Central Government for waiver of excess remuneration paid. The Company has received final reminder dated 3rd March, 2016 received on 16th March, 2016 from the Central Government directing it to furnish certain information/document/clarification which has been provided to the Central Government on 1st April, 2016.

46.2 As per Provisions of sub section 4 of Section 203 of Companies Act, 2013 the Company is required to appoint Chief Financial Officer (CFO) as Key Managerial Person. Mr. Shyam Rathi ceased to be CFO w.e.f. 14th November 2014 and Mr. V. L. Ganesh was appointed in his place w.e.f. 10th July 2015. Further, Mr. V. L. Ganesh has resigned w.e.f. 19th February 2016. The Company is in the process of identifying a suitable individual for this role. In the interim the Company has appointed Mr. Santosh Maheshwari as Group President who has extensive experience of over 26 years with very large Indian Corporate entities.

47 The Company is of the view that the provisions of Section 185 of the Companies Act, 2013 as regards intercompany advances/loans/guarantees granted/received to/from group companies are not applicable, as the same are provided/received in the normal course of business.

48 **i)** Derivative contracts entered into by the Company for hedging purpose and outstanding as at March 31, 2016:

Particulars	Financial Year Ended	Foreign currency amount	Equivalent amount (in ₹)
Long-term borrowings**			
USD	2016 2015	3,80,74,931 2,18,09,091	2,52,26,54,585 1,12,39,50,000

(**Refer Note No 34.1(ii))

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ii) Details of foreign currency transactions/ balances not hedged by derivative instruments or otherwise are as under:

Particulars	Financial Year Ended	Foreign currency amount	Equivalent amount (in ₹)
Bank balances			
USD	2016	5	317
	2015	5	317
Receivables			
USD	2016	6,72,169	4,39,66,573
	2015	10,52,099	6,48,72,397
EUR	2016	10,136	7,47,227
	2015	17,938	11,90,004

49 Prior Period Adjustments (net) included in Statement of Profit and Loss:

(Amount in ₹)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
Interest	-	2,24,54,794
Rates & Taxes	-	92,85,203
Finance Charges	31,87,500	-
Professional Fees	21,36,112	-
Write back of Interest	(6,01,552)	-
Total	**47,22,060**	**3,17,39,997**

50 Other Disclosures :

(a) Earnings in foreign currency

(Amount in ₹)

Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Revenue from Free Trade and Warehousing Zone	16,93,76,774	16,12,07,561
Total	**16,93,76,774**	**16,12,07,561**

(b) Expenditure in foreign currency

(Amount in ₹)

Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Travelling expenses	28,66,570	27,97,229
Professional Fees	9,33,329	-
Total	**37,99,899**	**27,97,229**

51 Previous year's figures have been regrouped/reclassified wherever necessary to conform to those of current year's classification/disclosures.

Signatures to Notes forming part of Financial Statements

For M. A. PARIKH & Co
Chartered Accountants
Firm Registration Number 107556W

Mukul Patel
Partner
Membership Number: 032489

Place: Mumbai
Date: 25th May 2016

For and on behalf of the Board of Directors of Arshiya Limited

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Savita Dalal
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Arshiya Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Arshiya Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements") which includes unaudited financial statements in respect of four foreign subsidiaries as provided by the management of the Company.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and our comments referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for Qualified Opinion:

We draw attention to the following:

1. *In respect of non-provision of interest aggregating to ₹ 1,57,50,54,021/- on loans excluding loans assigned to Asset Reconstruction Company as referred to in Note no. 33.1*

2. *In respect of non-provision of interest aggregating to ₹ 1,74,85,25,390/- on loans assigned to Asset Reconstruction Company as referred to in Note no. 33.2 and 33.2.1*

The Group records indicated that the management had not provided for interest as stated in item no 1 and 2 above. Had the management done so, an aggregate amount of ₹ 3,32,35,79,411/- would have been required to be provided. Accordingly, finance cost, loss for the year, shareholder's funds and other current liabilities would have been higher by ₹ 3,32,35,79,411/-.

3. *In respect of pending approval from Central Government in relation to excess remuneration paid to Ex-Executive Director of the Company for F.Y 2013-14 as referred to in Note no. 50.*

4. *In respect of non-compliance with the provisions of sub section 4 of Section 203 of the Act by Holding Company relating to appointment of Chief Financial Officer as referred to in Note no. 51.1.*

5. *In respect of non-compliance with the provisions of sub section 1 of Section 203 of the Act by Subsidiary Companies (Arshiya Central FTWZ Limited and Arshiya Industrial and Distribution Hub Limited) relating to appointment of Managing Director or Whole Time Director or Chief executive officer and Chief Financial Officer as referred to in Note no. 51.2.*

6. *In respect of non-compliance with the provisions of sub section 1 of Section 203 of the Act by Subsidiary Companies (Arshiya Central FTWZ Limited, Arshiya Rail Infrastructure Limited, Arshiya Northern FTWZ limited and Arshiya Industrial and Distribution Hub Limited) relating to appointment of whole-time Company Secretary as referred to in Note no. 51.3.*

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in Basis for Qualified Opinion paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2016;

(b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

1. The Group continues to be under severe financial stress as reflected by:
   (a) Guarantees given by Holding Company on behalf of subsidiaries being invoked by the consortium of banks (See Note no. 25)
   (b) Dues to banks and others being recalled by respective lenders aggregating to ₹ 17,14,83,94,615/- (See note no. 10)
   (c) Creditors for capital expenditure ₹ 83,78,29,318/- (See Note no. 10)
   (d) Unpaid employee's dues ₹ 5,77,97,159/- (See Note no. 10)
   (e) Unpaid Statutory dues ₹ 25,84,14,600/- (See Note no. 10)

2. Further to above, we draw attention to the following matters:
   (a) Note no. 35.1(ii) and 35.2 Re: Mark to Market Losses.
   (b) Note no. 37 Re: Proceedings against Company

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the Management Accounts of four foreign subsidiaries, which reflect total assets of ₹ 3,29,67,58,769/- as at 31st March, 2016 and total revenues of Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. These Management Accounts have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such management accounts. Refer Note no. 26.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the Other Matters as stated above with respect to our reliance on the work done and the Management Accounts certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements (Refer to 'Other Matters' above).

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books (Refer to 'Other Matters' above).

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements (Refer to 'Other Matters' above).

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Refer to 'Other Matters' above).

(e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer our separate report in Annexure "A" and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note no.24(a) to 24(e) and 37).

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts. (Refer Note no. 35).

iii. There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries incorporated in India.

For M.A. Parikh & Co.

Chartered Accountants

(Firm Reg. No. 107556W)

Mukul M. Patel
Partner
Membership No. 032489

Place: Mumbai
Date: 25th May, 2016

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ARSHIYA LIMITED ("the Holding Company")** and its subsidiary companies which are incorporated in India as of 31st March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and Its Subsidiary Companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including ad herence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and it's subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For M. A. Parikh & Co.
Chartered Accountants
(Firm's Registration No. 107556W)

MUKUL M. PATEL
Partner
Membership No. 32489

Place: Mumbai
Date: 25th May, 2016

Consolidated Balance Sheet as at 31st March, 2016

(Amount in ₹)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
I. Equity and Liabilities			
1. Shareholders' funds			
(a) Share capital	4	31,23,58,944	25,48,58,944
(b) Reserves and surplus	5	(3,74,99,02,981)	1,97,43,60,102
		(3,43,75,44,037)	**2,22,92,19,046**
2. Non-current liabilities			
(a) Long-term borrowings	6	5,53,44,35,843	20,81,59,85,597
(b) Other long-term liabilities	7	44,69,86,629	5,93,99,130
(c) Long-term provisions	11	97,50,156	10,92,893
		5,99,11,72,628	**20,87,64,77,620**
3. Current liabilities			
(a) Short-term borrowings	8	1,80,35,81,504	2,08,28,31,532
(b) Trade payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises		40,36,454	41,61,616
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		13,59,56,395	21,59,05,204
(c) Other current liabilities	10	29,62,02,83,806	11,76,74,44,800
(d) Short-term provisions	11	19,55,67,297	47,14,59,667
		31,75,94,25,456	**14,54,18,02,819**
Total		**34,31,30,54,047**	**37,64,74,99,485**
II. Assets			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	32,29,26,72,836	30,09,36,62,996
(ii) Intangible assets	12	42,45,70,455	51,60,04,008
(iii) Capital work-in-progress		-	5,59,71,57,660
		32,71,72,43,291	**36,20,68,24,664**
(b) Long-term loans and advances	13	81,07,04,754	51,41,59,205
(c) Other non-current assets	14	41,72,979	70,84,746
		81,48,77,733	**52,12,43,951**
2. Current assets			
(a) Inventories	15	1,60,40,647	41,97,644
(b) Trade receivables	16	23,28,49,101	21,91,12,816
(c) Cash and bank balances	17	11,69,36,728	6,15,13,913
(d) Short-term loans and advances	13	41,46,29,705	63,36,90,399
(e) Other current assets	14	4,76,842	9,16,098
		78,09,33,023	**91,94,30,870**
Total		**34,31,30,54,047**	**37,64,74,99,485**
Summary of Significant Accounting Policies	3		
See accompanying notes to the financial statements	1-53		

As per our report of even date
For M. A. Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W

For and on behalf of the Board of Directors of
Arshiya Limited

Mukul Patel
Partner
Membership No. 32489

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Date: 25th May, 2016

Savita Dalal
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

(Amount in ₹)

Particulars	Notes	Year Ended 31st March, 2016	Year Ended 31st March, 2015
I. Revenue			
1. Revenue from operations	18	3,08,70,32,517	3,24,23,03,844
2. Other income	19	1,70,08,931	2,03,46,306
Total Revenue		**3,10,40,41,448**	**3,26,26,50,150**
II. Expense			
1. Cost of operations	20	1,95,15,49,135	2,29,21,93,094
2. Employee benefits	21	31,89,18,594	27,48,51,210
3. Finance costs	22	3,43,22,01,062	4,04,02,24,008
4. Depreciation and amortization	12	91,60,20,304	1,01,09,33,233
5. Other expenses	23	27,08,10,991	34,59,84,595
Total Expenses		**6,88,95,00,086**	**7,96,41,86,140**
III. Loss for the year before Exceptional items and Tax		(3,78,54,58,638)	(4,70,15,35,990)
IV. Exceptional items (Net)	30	2,23,03,67,978	5,95,77,099
V. Prior Period adjustments (Net)	47	(1,02,88,660)	3,54,74,825
VI. Loss for the year before tax		**(6,00,55,37,956)**	**(4,79,65,87,914)**
VII. Tax expense			
1. Provision for current year		75,50,000	15,89,072
2. Short/(Excess) provision for prior year		2,44,37,695	(5,81,07,853)
VIII. Loss after Tax		**(6,03,75,25,651)**	**(4,74,00,69,133)**
Earnings Per Share			
Basic and Diluted	45	(42.54)	(44.33)
Summary of Significant Accounting Policies	3		
See accompanying notes to the financial statements	1-53		

As per our report of even date

For M. A. Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W

For and on behalf of the Board of Directors of
Arshiya Limited

Mukul Patel
Partner
Membership No. 32489

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Date: 25th May, 2016

Savita Dalal
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2016

(Amount in ₹)

Particulars		Year Ended 31st March, 2016	Year Ended 31st March, 2015
Cash flow from operating activities			
Loss before tax		**(6,00,55,37,956)**	**(4,79,65,87,914)**
Adjustments for:			
Loss on sale of assets (net)		8,14,41,143	-
Mark to Market Losses		20,41,90,694	7,92,49,269
Bad debts		2,25,77,093	6,45,37,408
Sundry balances written back (net)		(11,33,90,033)	(6,08,36,492)
Corporate debt revival and advisory fees		2,00,00,000	1,14,00,000
Recovery of expenses provided in prior year		(80,85,788)	-
Fixed assets/other assets written off		1,95,83,13,690	6,24,05,394
Irrecoverable advances written off		3,19,13,716	-
Excess provision written back		(33,07,581)	(2,07,06,867)
Provision for interest on statutory dues written back		(64,78,231)	(5,53,84,301)
Settlement of claims		4,31,93,275	-
Write back of interest		-	(2,10,91,355)
TDS receivable written off		-	4,043
Depreciation and amortization expense		91,60,20,304	1,01,09,33,233
Interest expense		3,43,22,01,062	4,04,02,24,008
Interest income		(32,53,355)	(42,75,502)
Provision for doubtful advances		-	5,74,079
Foreign Exchange gain (net)		(33,25,928)	(1,04,48,756)
Operating profit before working capital changes		**56,64,72,105**	**29,99,96,247**
Adjustments for :			
Decrease in inventories		1,86,045	4,35,977
		-	-
Decrease in trade and other receivables		31,77,65,275	55,60,90,002
(Decrease) in trade and other payables		(41,73,72,547)	(50,12,24,604)
Cash generated from operations		**46,70,50,878**	**35,52,97,622**
Direct taxes paid		1,81,66,606	2,16,86,036
Net cash flow from operating activities	**(A)**	**48,52,17,484**	**37,69,83,658**
Cash flow from investing activities			
Purchase of fixed assets		(1,24,73,392)	(81,00,000)
Sale of fixed assets		36,47,79,467	-
Capital advances		(38,09,16,244)	-
Investment in bank deposits having original maturity period of more than 3 months		-	51,18,257
Interest received		32,55,788	39,90,804
Net cash flow used in investing activities	**(B)**	**(2,53,54,381)**	**10,09,061**
Cash flow from financing activities			
Issue of Equity shares (including security premium)		41,97,50,000	1,57,15,00,000
Money received against share warrants adjusted against issue of shares		-	(27,49,00,000)
Repayment of long-term borrowings (net)		(42,85,07,559)	85,74,99,475
Repayments of short-term borrowings (net)		(7,46,49,763)	(1,14,28,99,152)
Dividend paid/Unpaid Dividend transfer to IEPF A/c		(11,85,506)	-
Interest paid		(31,98,47,460)	(1,42,87,02,752)
Net cash flow from financing activities	**(C)**	**(40,44,40,288)**	**(41,75,02,429)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)		**5,54,22,815**	**(3,95,09,710)**
Cash and cash equivalents as at the beginning of the year		4,46,21,001	9,97,85,295
Earmarked balances with banks		1,68,92,912	12,38,328
Cash and bank balances as at the end of the year		**11,69,36,728**	**6,15,13,913**
Cash and cash equivalents as at the end of the year		9,61,41,165	4,46,21,001
Earmarked balances with banks		2,07,95,563	1,68,92,912
Cash and bank balances as at the end of the year		**11,69,36,728**	**6,15,13,913**

Note: * Earmarked Balances with Banks include Margin Money Deposit and Balance in Current Account relating to Unpaid Dividend.

As per our report of even date

For M. A. Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W

For and on behalf of the Board of Directors of
Arshiya Limited

Mukul Patel
Partner
Membership No. 32489

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Date: 25th May, 2016

Savita Dalal
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Corporate Information

Arshiya Limited (hereinafter referred to as "the Holding Company", "the Company" or "AL") together with its subsidiaries (collectively referred to as "Group") is Flagship Company of the Arshiya Group. Arshiya is a pioneering Unified Supply Chain- Infrastructure and Solutions Group headquartered in India. The Group business comprises of Free Trade and Warehousing Zone (FTWZ), Industrial & Distribution Hubs, Inland Container Depot (ICD), Rail & Rail Infrastructure, Forwarding, Transport & Handling, Supply Chain Technology and Management Solutions.

Note 2: Basis of Consolidation

The Consolidated Financial Statements (CFS) relating to the Company and its subsidiaries are drawn up to the same reporting date as followed by the Holding Company, i.e. 31st March, 2016 (Previous Year 31st March, 2015). The CFS has been prepared on the following basis.

i) The CFS of the Group are prepared under Historical Cost Convention on going concern basis in accordance with Generally Accepted Accounting Principles in India and Accounting Standard – 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI), to the extent possible in the same manner as that adopted by the holding company for its separate financial statements by regrouping, recasting or rearranging figures, wherever considered necessary.

ii) The consolidation of the financial statements of the Holding Company and its subsidiaries is done to the extent possible on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements. All inter-group transactions, unrealised inter-company profits and balances have been eliminated in the process of consolidation. Minority interest in subsidiaries represents the minority shareholders proportionate share of the net assets and net income.

iii) The excess of cost to the Company of its investment in the subsidiaries over the Company's share of equity and reserves of the Subsidiaries is recognised in the financial statements as Goodwill, which is tested for impairment on every balance sheet date. The excess of Company's share of equity and reserves of the subsidiaries over the cost of acquisition is treated as Capital Reserve.

iv) The CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except deviations, if any, in case of certain subsidiaries, whose financial statements are based on the Financial Reporting Standards as required under the laws of the respective countries in which they are registered. However, such deviations, if any, do not have any significant effect on the CFS (Refer Note No. 26 relating to foreign subsidaries)

v) The CFS includes the Financial Statements of the Holding Company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal.

Name of the entity	Country of Incorporation	Proportion of interest (including beneficial interest)/ voting power (either directly/indirectly or through subsidiaries)	Audited/ Management Accounts
Direct Subsidiaries:			
Arshiya Hong Kong Limited	Hong Kong	100% (100%)	Management Accounts
Cyberlog Technologies International Pte. Limited	Singapore	100% (100%)	Management Accounts
Arshiya International Singapore Pte. Limited	Singapore	100% (100%)	Management Accounts
Arshiya Supply Chain Management Private Limited $$$	India	100% (100%)	Audited
Arshiya Transport And Handling Limited	India	100% (100%)	Audited
Arshiya Rail Infrastructure Limited @	India	100% (100%)	Audited
Arshiya Northern FTWZ Limited	India	100% (100%)	Audited
Arshiya Central FTWZ Limited $	India	100% (100%)	Audited
Arshiya Industrial & Distribution Hub Limited $$	India	100% (100%)	Audited
Indirect Subsidiaries:			
Held through Cyberlog Technologies International Pte			
Cyberlog Technologies (UAE) FZE	U.A.E.	100% (100%)	Management Accounts
Arshiya Technologies (India) Private Limited *	India	100% (100%)	Audited
Held through Arshiya Rail Infrastructure Limited:			
Arshiya Rail Siding and Infrastructure Limited	India	100% (100%)	Audited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

$$$ 87.36% (87.36%) held by the Holding Company and 12.64% (12.64%) held through Arshiya Northern FTWZ Limited.

@ 94.73% (94.73%) held by the Holding Company and 5.27 % (5.27%) held through Arshiya Hongkong Limited.

$ 51.67% (51.67%) held by the Holding Company and 48.33 % (48.33 %) held through Arshiya Hongkong Limited.

$$ 90.62% (90.62%) held by the Holding Company and 9.38 % (9.38 %) held through Cyberlog Technologies (UAE) FZE.

* 90.11% (90.11%) held by Cyberlog Technologies International Pte. Limited and 9.89 % (9.89%) held through Holding.

vi) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.

Note 3: Significant Accounting Policies

(i) Use of estimates

The preparation of CFS in conformity with Indian Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as on the date of financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from these estimates. Any revision to estimates is recognised prospectively in current and future periods.

(ii) Fixed assets

(a) **Tangible Fixed Assets**

- Fixed assets except land are stated at original cost of acquisition/installation (net of cenvat credit availed, if any) less accumulated depreciation and impairment losses, if any. All costs including borrowing costs incurred during pre-operational period till the commencement of commercial operations are capitalised.

- Land is carried at its revalued amount being the estimated market value on the date of revaluation.

(b) **Intangible Fixed Assets**

Intangible assets are carried at cost less accumulated amortization and impairment losses. The capitalised cost of software includes license fees, cost of implementation and system integration services. These costs are capitalised as intangible assets in the year in which related software is implemented.

(c) **Capital work-in-progress**

The cost of fixed assets which are not ready for its intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

(iii) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised till the date of commencement of commercial operations as part of cost of such assets. All other borrowing costs are charged to revenue.

(iv) Depreciation and Amortization

A. In case of the Holding Company and Indian subsidiaries

A.1. Free Trade and Warehousing Zone/Inland Container Depot and Logistics operations

Tangible Fixed Assets

Depreciation on tangible fixed assets is provided on the straight-line method at the rates and manner in accordance with Schedule II to the Companies Act, 2013.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Intangible Fixed Assets

Intangible assets are carried at cost less accumulated amortization. The capitalised cost of software includes license fees, cost of implementation and system integration services. These costs are capitalised as intangible assets in the year in which related software is implemented.

A.2. Rail freight and related services:

Tangible Fixed Assets

Depreciation on tangible fixed assets is provided on the straight-line method in accordance with Schedule II to the Companies Act, 2013.

Intangible Fixed Assets

(a) Rail License fees paid for transfer of Concession Agreement is amortized over a period of twenty years, being the license period as per the agreement.

(b) Software (intangible asset other than (c) below), is amortized on a straight-line basis over a period of three to six years from the date of its implementation based on management's estimate of useful life over which economic benefits will be derived from its use.

(c) Cost of Enterprise Resource Planning (ERP) software (intangible asset) including expenditure on implementation is amortized over a period of ten years based on management's estimate of useful life over which economic benefits will be derived from its use.

B. In case of certain overseas subsidiary companies

Certain overseas subsidiary companies provide depreciation on tangible fixed assets on straight line method based on the estimated useful life of the assets as determined by the management.

C. The Group

Leasehold improvements are amortized over the period of the lease.

(v) Leases

(a) **Finance lease**

Assets acquired under finance lease are capitalised and the corresponding lease liability is recognised at lower of the fair value of the leased assets and the present value of minimum lease payments at the inception of the lease. Initial costs directly attributable to lease are recognised with the asset under lease.

(b) **Operating lease**

Lease of assets under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognised as expenses on accrual basis in accordance with the respective lease agreements.

(vi) Investments

(a) Investments intended to be held for more than a year, from the date of acquisition are classified as long term and are valued at cost. Provision for diminution, if any, in the value of long term investments is made to recognise a decline, other than temporary.

(b) Current investments are valued at lower of cost and fair value, computed individually for each investment.

(vii) Inventories

Inventories are valued at cost or net realizable value (NRV), whichever is less.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(viii)Revenue recognition

(a) Revenue from allotment of warehousing space and open yard area for use is accounted on accrual basis as per agreed terms.

(b) Revenue from Handling and other Value Added Services/Activities is recognised on the basis of loading/unloading of container/cargo and completion of agreed contracted services

(c) Revenue from rail and ancillary operations are accounted on the basis of delivery of cargo, considering substantial completion of contracted services. While recognising the revenue, 7th of the following month is taken as cutoff date for determining the delivery of cargo vis-a-vis completion of contracted services.

(d) Revenue from logistic operations is accounted on the basis of date of departure of the vessel/aircraft for jobs related to export shipments and date of arrival of the vessel/ aircraft for jobs related to import shipments, considering substantial completion of contracted services.

(e) Revenue from sale of user licences for software application is recognised on transfer of the title of the user licences.

(f) Revenue from software development and consultancy services related to information technology is recognised upon completion of the actual service performed.

(g) Interest and other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

(h) Export benefits under Serve from India Scheme of Foreign Trade Policy are recognised when utilized.

(ix) Employee benefits

Employee benefits include Provident Fund, Gratuity and Leave Encashment entitlements.

a) Defined Contribution Plan

Contributions to defined contribution scheme such as provident fund are charged to the Statement of Profit and Loss as and when accrued.

b) Defined Benefit Plan

The liability for Leave encashment and Gratuity is determined on actuarial basis as per the Accounting Standard -15 "Employee Benefits" (AS 15) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

(x) Foreign currency transactions

A. Accounting of transactions

(a) Transactions in foreign currencies are initially recognised at the prevailing exchange rates on the date of the transaction. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

(b) Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange difference is recognised in the Statement of Profit and Loss.

(c) In respect of derivative contracts assigned to foreign currency monetary assets and liabilities, the differences due to change in exchange rate between the inception of derivative contracts and date of Balance Sheet and the proportionate premium/discount for the period upto the date of Balance Sheet are recognised in the Statement of Profit and Loss.

B. Translation and exchange rates

Financial statements of overseas non-integral operations are translated as under:

(a) Assets and liabilities at the exchange rates prevailing at the end of the year. Depreciation is accounted at the same rate at which assets are converted.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Revenue and expenses are at yearly average rates. Off balance sheet items are translated into Indian Rupees at year-end rate.

(xi) Accounting for taxes on income

(a) Provision for Current Tax is made, based on the tax payable under the IncomeTax Act, 1961 and under the respective Tax Laws of the countries in which subsidiaries operate.

(b) Deferred Tax is recognised, subject to the consideration of prudence,on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and are measured using relevant enacted tax rates. Deferred Tax assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

(c) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Group and the assets can be measured reliably.

(xii) Impairment of tangible and intangible assets

At the end of each year, the Group determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard - 28 "Impairment of Assets" (AS-28) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiii) Employee stock options

The Group calculates the employee stock compensation expense based on theintrinsic value method wherein the excess of market price of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the Employee Stock Option Scheme, is recognised as deferred employee stock compensation expense and is amortized over the vesting period.

(xiv) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised, but are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the Financial Statement.

(xv) Earnings per Share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed and disclosed using the weighted average number of equity and diluted equivalent shares outstanding during the year, except when the results would be anti-dilutive.

(xvi) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Group.

(xvii) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Group.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
4. Share Capital		
Authorised		
21,00,00,000 (P.Y.:21,00,00,000) equity shares of ₹ 2/- each	**42,00,00,000**	**42,00,00,000**
Issued, Subscribed and Paid up		
15,61,79,472 (P.Y.:12,74,29,472) equity shares of ₹ 2/- each, fully paid up	31,23,58,944	25,48,58,944
Total	**31,23,58,944**	**25,48,58,944**

(a) Terms and rights attached to equity shares

The Holding Company has one class of equity share having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. The shareholders who held shares on the record date are entitled to dividend as may be proposed by the Board of Directors and is subject to approval of the Shareholders at the ensuing General Meeting.

In the event of liquidation of the Holding Company, the holders of Equity Shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of equity shares outstanding as at the beginning and end of the year

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	Amount (in ₹)	Number of shares	Amount (in ₹)
Balance as at the beginning of the year	12,74,29,472	25,48,58,944	6,71,29,472	13,42,58,944
Issued during the year	2,87,50,000	5,75,00,000	6,03,00,000	12,06,00,000
Balance as at the end of the year	**15,61,79,472**	**31,23,58,944**	**12,74,29,472**	**25,48,58,944**

(c) Details of equity shares held by the shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Number of equity shares	Percentage (%) shareholding	Number of equity shares	Percentage (%) shareholding
Archana A Mittal	9,85,59,288	63.11%	6,98,09,288	54.78%
Ajay S Mittal	1,85,60,937	11.88%	1,85,60,937	14.57%

(d) During the year the Holding Company has allotted to the promoters 2,87,50,000 equity shares of ₹ 2/- each at a premium of ₹ 12.60 per share on preferential basis pursuant to the CDR package and in terms of special resolution passed on 12th May, 2014 as per applicable provision of Companies Act, 1956/Companies Act, 2013 and other applicable laws.

(e) Issue of convertible warrants

The Holding Company had allotted 1,36,00,000 convertible warrants at ₹ 145/- per warrant to promoters/promoters group on preferential basis pursuant to a special resolution passed by the members of the Holding Company at their extra ordinary general meeting, held on October 18, 2012. Out of these warrants 53,00,000, 52,50,000 and 30,50,000 were converted (in the ratio of 1 share for 1 warrant) into equity shares aggregating to 1,36,00,000 equity shares of ₹ 2/- each at a premium of ₹ 143/- per share during the financial year 2014-15, 2013-14 and 2012-13 respectively.

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
5. Reserves & Surplus		
Security Premium Account		
Balance as at the beginning of the year	7,62,22,18,084	6,17,13,18,084
Add : On issue of Equity Shares	36,22,50,000	1,45,09,00,000
Balance as at the end of the year	**7,98,44,68,084**	**7,62,22,18,084**
Amalgamation Reserve *		
Balance as at the beginning and end of the year	**1,24,80,000**	**1,24,80,000**
Revaluation Reserve		
Balance as at the beginning of the year	6,35,39,19,970	6,35,39,19,970
Less: Adjustment on account of land sold during the year	5,59,29,596	-
Balance as at the end of the year	**6,29,79,90,374**	**6,35,39,19,970**
Foreign currency translation Reserve		
Balance as at the beginning of the year	2,36,35,696	2,48,58,465
Add: Adjustment made during the year	69,42,164	(12,22,769)
Balance as at the end of the year	**3,05,77,860**	**2,36,35,696**
General Reserve		
Balance as at the beginning and end of the year	**9,40,17,534**	**9,40,17,534**
Surplus/(Deficit) in Statement of Profit and Loss		
Balance as at the beginning of the year	(12,13,19,11,182)	(7,36,64,45,489)
Less: Loss for the year	(6,03,75,25,651)	(4,74,00,69,133)
Adjustment on account of Depreciation	-	(2,53,96,560)
Balance as at the end of the year	**(18,16,94,36,833)**	**(12,13,19,11,182)**
Total	**(3,74,99,02,981)**	**1,97,43,60,102**

* As per the Scheme of Amalgamation of erstwhile BDP (India) Private Limited with the Holding Company approved by the Hon'ble High Court of Judicature at Bombay in earlier years.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	Non-current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
6. Long-term borrowings				
Secured Loans				
Term loan from (Refer Note No. 33)#				
- Banks	90,29,51,943	16,18,98,30,969	11,60,02,27,299	86,38,53,922
- Other parties	4,63,11,31,768	4,62,55,42,815	5,98,12,33,415	1,67,60,82,366
Vehicle loan from bank	2,37,668	6,11,813	3,74,145	3,35,824
Unsecured Loans				
- From Others	1,14,464	-	1,20,88,371	1,25,00,000
	5,53,44,35,843	**20,81,59,85,597**	**17,59,39,23,230**	**2,55,27,72,112**
Less: Amount disclosed under the head "other current liabilities" (Refer Note No. 10)#	-	-	(17,59,39,23,230)	(2,55,27,72,112)
Total	**5,53,44,35,843**	**20,81,59,85,597**	-	-

During the year Secured CDR Lenders have exited from CDR package and as per letters issued by CDR-EG approving the exit from CDR on account of failure of the restructuring package (Refer Note No. 33). Accordingly on exit from CDR, the company will be governed by original loan agreement instead of CDR agreement hence Funded Interest Term Loan (FITL) created during the tenure of CDR is transferred to Interest Accrued and due.

(a) Security provided:

(i) The above loans are secured by charges on all the present and future movable and immovable assets including intangible assets, assignment of rights and benefits and charges on entire Current Assets.

(ii) The above loans further secured by joint and several irrevocable personal guarantees and shares pledged by the Promoter Directors.

(iii) ₹ 69,00,00,000/- (₹ 69,00,00,000/-) is secured by first charge on land belonging to the Holding Company situated at Village Butibori at Nagpur, Maharashtra. The above loan carries interest @ 15.25% p.a. and penal interest of 4% p.a. Out of the above, ₹ 39,00,00,000/- is repayable in a single installment at the end of 3 years from the date of disbursement i.e. October 13, 2011 or on exercise of put/call option after 1 year from the date of disbursement and balance ₹ 30,00,00,000/- in single installment at the end of 3 years from the date of disbursement i.e. January 02, 2012 or on exercise of put/call option after 1 year from the date of disbursement. During the previous year, as per the terms of sanction letter the lender has exercised call option and recalled the above loan and the said loan is overdue since 13th March, 2013.

(iv) ₹ 26,66,66,668/- (₹ 26,66,66,668/-) is secured by first and exclusive charge by way of mortgage of the Holding Company's land at Khurja near Delhi. The above loan carries interest of 15% p.a. plus penal interest of 2% p.a. Out of the above, ₹8,00,00,000/- is repayable in six equal monthly installments after a moratorium period of 6 months from the date of disbursement ,i.e. July 21, 2011 and balance in twelve equal monthly installments starting from thirteenth month from the date of disbursement. During the year 2012-13, the Holding Company had defaulted in making payment of four installments aggregating to ₹10,66,66,668/-. Consequently in the year 2012-13, pursuant to the facility agreement the lender has recalled the balance outstanding amount of ₹16,00,00,000/- and the said loan is overdue since 9th February, 2013.

(v) Loan of ₹ 1,81,04,30,991/- is secured by:
- Pledge of 49% shares of Arshiya Northern FTWZ Limited held by the Holding Company.
- Exclusive charge in favor of Capital First Limited on present and future Receivables of Arshiya Supply Chain Management Private Limited from Panvel FTWZ.
- Corporate Guarantee by the Holding Company and Arshiya Northern FTWZ Limited for the facility extended to Arshiya Supply Chain Management Private Limited.
- Personal Guarantee of Promoter Directors of the Holding Company, i.e. Mr. Ajay S Mittal and Mrs. Archana A Mittal.
- Demand Promissory Note by Arshiya Supply Chain Management Private Limited.
- Second charge on the Khurja Land and all assets of Arshiya Northern FTWZ Limited.

(vi) Vehicle loan is secured by way of hypothecation of vehicle.

(b) Rate of Interest:- ranges from 12% to 16.50% p.a.

(c) Repayment Schedule of Secured Loans is as follows:-

(Amount in ₹)

Year	Banks	Others	Total
FY 2012-13	26,50,65,583	91,74,93,496	1,18,25,59,079
FY 2013-14	90,86,43,453	59,06,79,870	1,49,93,23,323
FY 2014-15	1,25,08,40,954	77,34,76,042	2,02,43,16,996
FY 2015-16	1,47,70,00,028	95,05,61,107	2,42,75,61,135
FY 2016-17	1,88,21,31,633	1,49,95,69,785	3,38,17,01,418
FY 2017-18	1,87,75,84,525	1,65,74,06,893	3,53,49,91,418
FY 2018-19	2,02,96,35,958	1,76,50,55,461	3,79,46,91,419
FY 2019-20	1,97,84,59,338	1,66,63,10,030	3,64,47,69,368
FY 2020-21	83,38,17,770	79,18,12,499	1,62,56,30,269
Total	**12,50,31,79,242**	**10,61,23,65,183**	**23,11,55,44,425**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(d) Period and amounts of continuing defaults in repayment of long-term borrowings as at March 31, 2016 are as under :

(Amount in ₹)

Year	Banks	Others	Total
FY 2012-13	26,50,65,583	1,02,41,60,164	1,28,92,25,747
FY 2013-14	90,86,43,453	48,40,13,202	1,39,26,56,655
FY 2014-15	1,25,08,40,954	77,34,76,042	2,02,43,16,996
May-15	-	69,79,39,314	69,79,39,314
Jun-15	33,44,18,548	66,16,44,764	99,60,63,312
Jul-15	4,17,79,19,060	38,85,86,739	4,56,65,05,799
Sep-15	19,27,71,271	16,22,74,367	35,50,45,638
Dec-15	29,13,27,176	16,22,74,367	45,36,01,543
Jan-16	1,54,52,17,168	-	1,54,52,17,168
Feb-16	1,23,22,08,000	-	1,23,22,08,000
Mar-16	33,61,95,821	22,26,42,450	55,88,38,271
Total	**10,53,46,07,034**	**4,57,70,11,409**	**15,11,16,18,443**

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
7. Other Long-term Liabilities		
Security Deposits from Unit Holders	6,19,86,630	5,93,99,130
Settelement on Account of Derivative Contracts (Refer Note No. 35.1 (i))	38,49,99,999	-
Total	**44,69,86,629**	**5,93,99,130**

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
8. Short-term Borrowings		
Secured Loans		
Short-term loans from:		
- Others (Refer Note No. 33.2.1)	50,10,00,000	59,41,85,997
Working capital facility from:		
- Banks (Refer Note No. 33.1)	63,03,96,575	63,06,91,418
- Others (Refer Note No. 33.2)	56,54,10,600	56,54,10,600
Unsecured Loans		
from Promoter Directors	3,27,94,971	2,76,63,894
from Others	7,39,79,358	26,48,79,623
Total	**1,80,35,81,504**	**2,08,28,31,532**

(a) Security provided

(i) The above loans are secured by charge on all the present and future movable and immovable assets including intangible assets, assignment of rights and benefits and charges on entire Current Assets.

(ii) The above loans further secured by joint and several irrevocable personal guarantees and shares pledged by the Promoter Directors.

(b) Rate of Interest:- ranges from 12% to 24% p.a.

(c) Repayment Schedule of Secured Loan:

(Amount in ₹)

Year	Others
FY 2012-13	49,35,00,000
FY 2016-17	75,00,000
Total	**50,10,00,000**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(d) Period and amounts of continuing defaults in repayment of short-term borrowings as at March 31, 2016 are as under:

(Amount in ₹)

Year	Banks	Others	Total
FY 2014-15	63,03,96,575	50,00,000	63,53,96,575
Apr-15	-	50,00,000	50,00,000
May-15	-	50,00,000	50,00,000
Jun-15	-	50,00,000	50,00,000
Jul-15	-	50,00,000	50,00,000
Aug-15	-	50,00,000	50,00,000
Sep-15	-	50,00,000	50,00,000
Oct-15	-	50,00,000	50,00,000
Nov-15	-	50,00,000	50,00,000
Dec-15	-	50,00,000	50,00,000
Mar-16	56,54,10,600	-	56,54,10,600
Total	**1,19,58,07,175**	**5,00,00,000**	**1,24,58,07,175**

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
9. Trade payables (Refer Note No. 28 and 37)		
(i) Total outstanding dues of micro enterprises and small enterprises	40,36,454	41,61,616
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13,59,56,395	21,59,05,204
Total	**13,99,92,849**	**22,00,66,820**
10. Other current liabilities		
Current maturities of long-term borrowings - Banks (Refer Note No. 6)*	11,60,02,27,299	86,38,53,922
Current maturities of long-term borrowings - Others (Refer Note No. 6)**	5,99,33,21,786	1,68,85,82,366
Current maturities of Vehicle loan (Refer Note No. 6)	3,74,145	3,35,824
Interest accrued and due on Borrowings #	10,50,83,37,339	7,43,02,77,294
Unclaimed dividend	4,364	11,89,870
Employees Dues (including full and final settlement dues of ₹ 5,77,97,159/-)	9,56,25,818	8,68,90,836
Statutory dues	25,84,14,600	27,71,18,077
Trade advances received	97,41,025	1,45,13,615
Interest on Delayed payment of Statutory Dues	10,73,67,469	8,14,82,611
Deposit received	3,09,90,714	2,63,26,090
Creditors for (Refer Note No. 28 and 37)		
- Capital expenses	83,78,29,318	1,15,19,80,539
- Expenses	17,80,49,929	14,48,93,756
Total	**29,62,02,83,806**	**11,76,74,44,800**

* includes loans recalled aggregating to ₹ 9,71,98,86,358/- from Banks.
** includes loans recalled aggregating to ₹ 1,95,71,92,013/- from Others.
# includes interest on loans recalled aggregating to ₹ 5,47,13,16,244/- from Banks and others.

Details of continuing default in payment of interest on secured loans as on 31st March, 2016 is as follows:

(Amount in ₹)

Year	Banks	Others	Total
FY 2012-13	96,49,74,450	86,44,64,124	1,82,94,38,574
FY 2013-14	1,19,75,09,146	81,37,48,422	2,01,12,57,568
FY 2014-15	1,80,29,22,788	1,37,87,16,175	3,18,16,38,963
Apr-15	17,78,40,695	8,49,96,579	26,28,37,274
May-15	18,54,89,012	8,81,00,540	27,35,89,552
Jun-15	18,14,76,301	8,36,89,585	26,51,65,886
Jul-15	18,95,39,267	7,83,08,787	26,78,48,054
Aug-15	19,15,79,048	6,74,24,733	25,90,03,781
Sep-15	22,15,14,277	6,42,93,877	28,58,08,154
Oct-15	19,83,38,202	5,78,50,936	25,61,89,138
Nov-15	19,40,48,413	5,70,26,459	25,10,74,872
Dec-15	20,26,52,018	5,76,62,083	26,03,14,101
Jan-16	20,48,13,910	4,09,76,483	24,57,90,393
Feb-16	19,37,65,795	2,43,13,980	21,80,79,775
Mar-16	20,91,57,342	2,56,36,914	23,47,94,256
Total	**6,31,56,20,664**	**3,78,72,09,677**	**10,10,28,30,341**

(Amount in ₹)

Particulars	Non-current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
11. Provisions				
Employee benefits				
Provision for Gratuity	28,91,474	10,92,893	-	-
Provision for Leave Encashment	68,58,682	-	16,64,005	1,50,35,438
Mark to Market on derivative contracts (Refer Note No. 35)	-	-	18,48,48,292	41,84,06,912
Provision for tax	-	-	90,55,000	15,05,000
Others	-	-	-	3,65,12,317
Total	**97,50,156**	**10,92,893**	**19,55,67,297**	**47,14,59,667**

12. Fixed Assets (Amount in ₹)

Description of Assets	Gross Block				Depreciation/Amortization				Net Block	
	As at 1st April, 2015	Additions	Deductions/ Adjustments	As at 31st March 2016	As at 1st April, 2015	For the year	Deductions/ Adjustments	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
a) Tangibles										
Freehold Land*	12,60,66,59,937	2,91,52,75,520	38,20,43,298	15,13,98,92,159	-	-	-	-	15,13,98,92,159	12,60,66,59,937
Buildings	11,65,00,69,252	78,56,73,191	18,57,724	12,43,38,84,719	55,49,35,933	18,42,68,813	-	73,92,04,746	11,69,46,79,973	11,09,51,33,319
Railway Terminal	1,77,56,56,799	-	-	1,77,56,56,799	23,15,35,928	11,57,26,421	-	34,72,62,349	1,42,83,94,450	1,54,41,20,871
Leasehold Improvements	7,92,77,061	-	-	7,92,77,061	7,24,00,355	35,40,197	-	7,59,40,552	33,36,509	68,76,706
Plant and Machinery	5,36,25,91,396	2,07,779	37,13,16,796	4,99,14,82,379	1,14,54,14,335	34,72,14,343	7,32,65,338	1,41,93,63,340	3,57,21,19,039	4,21,71,77,061
Computers	13,41,91,957	6,500	74,074	13,41,24,383	9,94,73,808	1,06,37,385	-	11,01,11,193	2,40,13,190	3,47,18,149
Equipments	59,19,26,760	4,40,043	7,425	59,23,59,378	22,64,90,319	13,03,61,219	-	35,68,51,538	23,55,07,840	36,54,36,441
Vehicles #	2,42,46,438	41,98,635	74,73,925	2,09,71,148	1,51,80,696	25,24,365	64,40,495	1,12,64,566	97,06,582	90,65,742
Furniture and Fixtures	29,59,05,686	9,57,513	-	29,68,63,199	8,14,30,916	3,04,09,189	-	11,18,40,105	18,50,23,094	21,44,74,770
Total	**32,52,05,25,286**	**3,70,67,59,181**	**76,27,73,242**	**35,46,45,11,225**	**2,42,68,62,290**	**82,46,81,932**	**7,97,05,833**	**3,17,18,38,389**	**32,29,26,72,836**	**30,09,36,62,996**
Previous year	32,57,58,96,128	81,00,000	6,34,70,842	32,52,05,25,286	1,54,24,08,840	90,75,26,055	2,28,76,762	2,42,70,58,133	30,09,34,67,153	-
b) Intangibles										
Softwares	47,61,84,963	-	19,03,612	47,42,81,351	30,60,83,618	6,63,18,063	18,08,431	37,05,93,250	10,36,88,101	17,01,01,345
Trade Mark and Patents	2,33,700	-	-	2,33,700	1,64,371	20,309	-	1,84,680	49,020	69,329
Rail Licence Fee	50,00,00,000	-	-	50,00,00,000	15,41,66,666	2,50,00,000	-	17,91,66,666	32,08,33,334	34,58,33,334
Goodwill on consolidation	5,98,98,246	-	-	5,98,98,246	5,98,98,246	-	-	5,98,98,246	-	-
Total	**1,03,63,16,909**	**-**	**19,03,612**	**1,03,44,13,297**	**52,03,12,901**	**9,13,38,372**	**18,08,431**	**60,98,42,842**	**42,45,70,455**	**51,60,04,008**
Previous year	1,03,23,71,209	39,45,700	-	1,03,63,16,909	39,13,13,320	12,88,03,738	-	52,01,17,058	51,61,99,851	-
Total (a+b)	**33,55,68,42,195**	**3,70,67,59,181**	**76,46,76,854**	**36,49,89,24,522**	**2,94,71,75,191**	**91,60,20,304**	**8,15,14,264**	**3,78,16,81,231**	**32,71,72,43,291**	**30,60,96,67,004**
Previous Year Total	33,60,82,67,337	1,20,45,700	6,34,70,842	33,55,68,42,195	1,93,37,22,160	1,03,63,29,793	2,28,76,762	2,94,71,75,191	30,60,96,67,004	-

Notes:

*a. Freehold Land: includes of ₹ 97,35,11,038/- (₹ 97,35,11,038/-) situated at Nagpur, which is under possession of a Lender as per the Order of Hon'ble High Court of Bombay.

b. Gross block includes cost of vehicles taken on finance lease ₹ 19,27,408/- (P.Y. ₹19,27,408/-).

c. The Board of Directors at their meeting held on 28th March, 2014, based on valuation report from an approved valuer revalued the land to reflect its current Market Value. Accordingly, based on the said valuation the difference between the current Market Value of Land and Land development charges of ₹ 12,60,66,59,937/- over its book value of ₹ 6,25,27,39,967/-, amounting to ₹ 6,35,39,19,970/- was credited to "Revaluation Reserve" in F.Y. 2013-14. During the year the Company has sold certain parcels of land located at Khurja and Nagpur of book value of ₹ 32,61,13,702/- which were revalued at ₹ 38,20,43,298/-. The difference between book value and revalued amout of ₹ 5,59,29,596/- is adjusted to Revaluation Reserve (Refer Note No. 5).

d. Plant & Equipment includes ₹ 25,80,60,866/- which denotes adjustment of original cost with the vendor as per memorandum of understanding dated 10th April, 2015.

e. Refer Note No. 34 relating to Component Accounting.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	Non-current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
13. Loans and advances (Unsecured)				
Capital advances (Considered Good)	53,72,49,708	15,63,33,465	-	-
Security deposits	1,58,90,442	7,48,80,805	2,63,560	-
Advance recoverable in cash or kind	6,71,79,537	6,31,03,882	85,57,228	23,35,90,466
- Tax Deducted at Source (net of provisions)	19,03,85,067	21,63,64,978	5,92,79,112	4,71,20,290
- Indirect tax refund receivable (Refer Note No. 40)	-	20,51,665	33,30,58,817	34,22,19,384
Prepaid expenses	-	14,24,410	43,78,265	18,68,161
Staff advances	-	-	11,09,051	2,00,969
Other Advances (Refer Note No. 36)	-	-	79,83,672	86,91,129
Total	**81,07,04,754**	**51,41,59,205**	**41,46,29,705**	**63,36,90,399**
14. Other assets				
Interest receivable on fixed deposits	-	-	4,76,842	4,79,275
Others	-	-	-	4,36,823
Margin money deposits with banks having original maturity period of more than 12 months (Refer Note No. 17)	41,72,979	70,84,746	-	-
Total	**41,72,979**	**70,84,746**	**4,76,842**	**9,16,098**

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
15. Inventories		
Stores and Spares	1,60,40,647	41,97,644
Total	**1,60,40,647**	**41,97,644**
16. Trade receivables		
Debts outstanding for a period exceeding six months		
Considered good	3,49,41,710	17,67,09,657
Considered doubtful	47,35,331	19,59,415
	3,96,77,041	**17,86,69,072**
Less: Provision for doubtful debts	47,35,331	19,59,415
	3,49,41,710	**17,67,09,657**
Other debts	19,79,07,391	4,24,03,159
Total	**23,28,49,101**	**21,91,12,816**

(Amount in ₹)

Particulars	Non-current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
17. Cash and bank balances				
Cash and cash equivalents				
Balances with banks	-	-	9,58,79,588	4,21,59,057
Cash on hand	-	-	2,61,577	24,61,944
	-	-	**9,61,41,165**	**4,46,21,001**
Other bank balances				
Balance with bank relating to unpaid dividend	-	-	4,364	12,38,328
Margin money deposit (pledged against bank guarantee)			5,48,697	-
Margin money deposits with banks having original maturity period of more than 12 months	41,72,979	70,84,746	2,02,42,502	1,56,54,584
	41,72,979	**70,84,746**	**2,07,95,563**	**1,68,92,912**
Less: Amount of deposits disclosed under other non-current assets (Refer Note No. 14)	(41,72,979)	(70,84,746)	-	-
Total	**-**	**-**	**11,69,36,728**	**6,15,13,913**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

Particulars		Year Ended 31st March, 2016	Year Ended 31st March, 2015
18. Revenue from operations			
Revenue from sale of services:			
-Rail freight and related services		1,97,58,54,641	2,38,23,90,187
-Free Trade and Warehousing Zone operations		1,11,11,77,876	85,89,69,472
-Logistics operations		-	9,44,185
	Total	**3,08,70,32,517**	**3,24,23,03,844**
19. Other income			
Interest income			
- Fixed Deposits		32,53,355	42,75,502
- Others		16,91,582	-
Foreign exchange gain (Net)		33,25,928	1,04,48,756
Excess provision no longer required written back		37,86,801	-
Miscellaneous income		49,51,265	56,22,048
	Total	**1,70,08,931**	**2,03,46,306**
20. Cost of operations			
Rail freight and other operating charges		1,75,99,18,587	2,11,79,24,760
Free Trade and Warehousing Zone operations		19,16,30,548	17,31,10,114
Logistics operations		-	11,58,220
	Total	**1,95,15,49,135**	**2,29,21,93,094**
21. Employee benefits			
Salary, bonus and others allowances		30,33,78,147	26,40,51,012
Contribution to provident and other funds		91,23,610	51,89,407
Staff welfare expenses		64,16,837	56,10,791
	Total	**31,89,18,594**	**27,48,51,210**
22. Finance costs			
Interest expense:			
- on Borrowings (Refer Note No. 33)		3,38,14,16,166	3,98,46,48,278
- on delayed payment of TDS		4,00,30,697	4,34,32,509
Other borrowing costs		1,07,54,199	1,21,43,221
	Total	**3,43,22,01,062**	**4,04,02,24,008**
23. Other expenses			
Electricity charges		2,72,41,547	2,61,25,207
Rent		3,48,27,839	4,75,86,438
Repairs and Maintenance:			
- Building		2,01,91,217	96,72,810
- Plant and Machinery		1,11,58,865	85,53,974
- Others		51,44,311	45,40,901
Insurance		59,47,673	72,88,877
Rates and Taxes		13,93,160	30,80,269
Communication expenses		62,34,977	71,15,149
Travelling and Conveyance expenses		3,59,43,134	3,32,02,192
Vehicle expenses		92,79,402	92,51,757
Printing and Stationery		39,73,387	32,71,856
Legal and Professional fees		3,84,27,447	7,40,47,488
Security charges		3,26,04,912	3,30,48,489
Auditor's remuneration (Refer Note no. 49)		88,87,282	66,53,984
Advertisement and Business Promotion expenses		64,41,657	1,37,71,975
Provision for doubtful advance		-	5,74,079
Provision for doubtful debts		35,00,000	-
Miscellaneous expenses		1,96,14,181	5,81,99,150
	Total	**27,08,10,991**	**34,59,84,595**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

24 Contingent Liabilities not provided for in respect of:

(Amount in ₹)

S. No.	Particulars	As at 31st March 2016	As at 31st March 2015
(a)	Disputed income tax demands	3,31,28,826	14,05,53,059
(b)	Disputed MVAT demand	72,22,914	72,22,914
(c)	Disputed Sales Tax demand	20,51,279	20,51,279
(d)	Disputed Local Body Tax demand	1,60,33,355	1,60,33,355
(e)	Claims against the group not acknowledged as debts	60,21,52,442	55,15,96,132
(f)	Custom duty on pending export obligation against import of capital goods.	20,17,45,432	26,86,97,480
(g)	Right to recompense by Secured Lenders	-	1,42,02,00,000
(h)	Guarantees (excluding interest) given on behalf of subsidiaries towards loans availed by them. The Outstanding balances of such loans (excluding interest) against such guarantees aggregating to ₹ 14,58,09,61,506/- (P.Y. ₹ 14,16,61,40,069/-)	17,49,97,19,332	17,73,47,19,332
(i)	Bank Guarantees	1,73,00,000	1,73,00,000

25 Corporate Guarantee

(i) With respect to Arshiya Northern FTWZ Limited (ANFL) and Arshiya Industrial & Distribution Hub Limited (AIDHL) (subsidiaries), Punjab National Bank (Bank), on behalf of certain Consortium Banks of these subsidiaries, has initiated debt recovery action under Section 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) vide notice dated 14th October, 2015 aggregating to ₹ 3,22,23,46,819/- (being dues from ANFL) and notice dated 19th October, 2015 aggregating to ₹ 5,86,57,51,992/- (being dues from AIDHL). The bank has invoked the Corporate Guarantees issued by the Promoter Company, Arshiya Limited and personal guarantees of Promoter Directors, i.e., Mr. Ajay S Mittal and Mrs. Archana A Mittal. Further on 19th January, 2016 the subsidiaries received a Notice of possession from the authorized officer of the bank under power conferred on the bank u/s 13(4) of the said Act read with Rule 8(i) of the Rules.

(ii) The subsidiaries have requested the banks to withdraw the said notices and support their revival efforts.

(iii) Given the above, the Holding Company is of the view that:

(a) at this juncture there is no obligation which is expected to result in an outflow of resources from the Holding Company and hence not provided for

(b) the disclosure of the Corporate Guarantees issued to the Banks on behalf of its subsidiaries under the head Contingent Liabilities not provided for in respect of Guarantees given on behalf of subsidiaries is adequate.

26 The Consolidated Financial Statements include the Management Accounts of four foreign subsidiaries (subsidiaries) which have been prepared in accordance with Generally Accepted Accounting Principles prevailing in the respective countries of incorporation. The Management is of the view that the difference on account of deviation, if any, in their accounting policies vis-a-vis those of the Holding Company are not material.

27 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital and other account and not provided for (net of advances paid) are ₹ 22,00,72,513/- (P.Y. ₹ 52,82,42,998/-).

28 Details of dues to Micro, Small And Medium Enterprises as per MSMED Act, 2006

(Amount in ₹)

S. No.	Description	As at 31st March 2016	As at 31st March 2015
a)	Principal amount due and remaining unpaid	40,36,454	41,61,616
b)	Interest due on above	20,484	-
c)	Payment made beyond the appointed day during the year	-	-
d)	Interest paid	-	-
e)	Interest due and payable for the period of delay	-	-
f)	Interest accrued and remaining unpaid	20,484	-
g)	Amount of further interest remaining due and payable in succeeding years	-	-

Note: Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Group and relied upon by the Auditors.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

29 In the opinion of the Management, Current Assets, Loans and Advances and Current Liabilities are approximately of the value stated, if realized/paid in the ordinary course of business. The provisions for depreciation and all known liabilities are adequate and are not in excess of the amounts considered reasonably necessary.

30 Details of Exceptional items (net) are as under:

(Amount in ₹)

Sr. No.	Exceptional items	Year Ended 31st March 2016	Year Ended 31st March 2015
(a)	Bad debts written off	2,25,77,093	6,45,37,408
(b)	Loss on sale of assets	8,14,41,143	-
(c)	Mark to Market losses	20,41,90,694	7,92,49,269
(d)	Excess provision written back	(33,07,581)	(2,07,06,867)
(e)	Sundry balance written back (net)	(11,33,90,033)	(6,08,36,492)
(f)	Corporate debt revival and advisory fees	2,00,00,000	-
(g)	Irrecovable advance written off (net)	3,19,13,716	1,14,04,043
(h)	Write back of interest	-	(2,10,91,355)
(i)	Fixed assets/ other assets written off	1,95,83,13,690	6,24,05,394
(j)	Provision for interest on statutory dues written back	(64,78,231)	(5,53,84,301)
(k)	Recovery of expenses provided in prior year	(80,85,788)	-
(l)	Settlement of claims	4,31,93,275	-
	Total	**2,23,03,67,978**	**5,95,77,099**

31 Preparation of financial statements on " Going Concern" basis

The financial statements of the Group have been prepared on a "Going Concern" basis in view of the Revival plans referred to in Note No. 32.

32 Revival Plans

The Management of the Group is restructuring its business operations as also those of its subsidiaries in which it has substantial investments, by –

- expanding the business volumes by changing product mix, clarity and resolution of regulatory issues,
- increasing client base by inducting more Fortune 500 companies,
- commencing Inland Container Depot (ICD) operations at Khurja in April 2016,
- support from ARC in terms of Growth Capital / Working Capital support,
- revamping the entire business with an emphasis on operational efficiency.

33 Secured Lenders (Banks):

33.1 Loans other than assigned to Asset Reconstruction Company(ARC):

During the financial year 2013-2014, Secured Lenders (Banks) had approved the restructuring package under "Corporate Debt Restructuring Package" (CDR). The Group has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted into Group's borrowings becoming "Non-Performing Assets" (NPAs) with the Banks. Such defaults entitle the CDR lenders to revoke the CDR Package approved by them and hence the CDR Lenders decided to exit the CDR.

Further to the above, CDR-EG issued letters approving the exit from CDR on account of failure of the restructuring package. Upon exit, lenders are entitled to exercise rights and remedies available under the original loan documents. In the absence of any communication from these lenders, the Group has not provided for additional interest from CDR cut-off date till 31st March 2016 estimated at ₹ 1,57,50,54,021/- which arises on account of difference between interest rate as approved under CDR package and interest rate decided as per original sanctioned terms and penal interest on overdue amount of interest and installment. Had the Group provided for additional Interest, as stated above, on such loans, the loss before tax for the year ended 31st March, 2016 would have been higher by ₹ 1,57,50,54,021/-. Upon reconciliation and finalization of the estimated entitlements of these lenders, the Group will recognize the liability in its books during the year in which finality is reached.

33.2 Loans Assigned to Asset Reconstruction Company (ARC):

(i) Some of the Secured CDR Lenders had assigned their outstanding dues to an ARC, aggregating to ₹ 10,91,96,66,023/- on the same terms and conditions as per the original loan documents.

(ii) Pending finalization of the terms of restructuring with ARC, the Group has not provided for Interest aggregating to ₹ 1,07,74,00,819/- on loans assigned to the ARC from the respective dates of assignment.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Consequent to CDR exit, the Company has not provided for additional estimated interest (from CDR cut-off date till 31st March 2016) aggregating to ₹ 67,11,24,571/-.

Had the Group provided for interest on such assigned loans, the loss before tax for the year would have been higher by ₹ 1,74,85,25,390/-.

(iv) On finalization of the terms of restructuring with ARC, the Group will record the effect of the revised terms as to repayment of principal and Interest (including penal interest if any) as referred to in 33.2(ii) and 33.2(iii), in the period in which it is completed.

33.2.1 A Bank has assigned its dues to ARC aggregating to ₹ 86,92,68,625/- (being principle of ₹ 49,35,00,000/- and interest of ₹ 37,57,68,625/-) on the same terms and conditions as per the original financing documents. ARC and the Holding Company have filed Consent Terms with the Hon'ble Bombay High Court. On the basis of said consent terms the Holding Company has not provided for interest of ₹ 7,29,88,927/- on loan assigned to ARC from the date of assignment.

Had the Group provided for interest on the above loan, the loss before tax for the year would have been higher by ₹ 7,29,88,927/-.

34 Fixed Assets and Depreciation

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after 1st April, 2014, the Group has re-worked depreciation with reference to the useful lives of Fixed Assets prescribed by PART 'C' of Schedule II to the Act. Where the remaining useful life of an asset is nil, the carrying amount of the asset after retaining the residual value, as at 1st April, 2014 has been adjusted to the balance of Statement of Profit and Loss. In other cases the carrying values have been depreciated over the remaining useful lives of the assets and recognized in the Statement of Profit and Loss.

Since then, as per the amendment dated 20th August, 2014, the useful life specified in Part C- of Schedule II has been defined to mean that if the cost of a part of asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately and depreciated accordingly.

In the opinion of the Management, the Group's assets are such that there areno significant parts thereof whose life would be different than the useful life of the whole asset (Component accounting being a technical matter, the opinion of the Management is relied upon by the Auditors). Consequently, the Group has continued to provide depreciation in respectof all its assets on the basis as was followed in the financial year 2014-15, i.e. based on useful lives of the respective assets.

35 Mark to Market Losses (MTM)

35.1 Axis Bank

(i) The Holding Company has terminated the cross currency swap derivative contract with Axis Bank Limited on 30th September, 2015 for an agreed valuation of ₹ 42,00,00,000/- of which the balance as on 31st March 2016 is ₹ 38,49,99,999/-. The Holding Company had already provided for an amount of ₹ 25,52,18,817/- for the MTM loss upto 30th June, 2015. The balance amount of ₹ 16,47,81,183/- was provided for as an exceptional item in the quarter ended 30th September, 2015.

(ii) The Holding Company has entered into a new INR to USD Principal only Swap contract with Axis Bank Limited on 30th September, 2015, with effect from 5th October, 2015, the maturity date being 30th September, 2020 for a notional amount of ₹ 2,50,00,00,000/- (USD 3,80,74,931/-). During the year the Holding Company has provided an amount of ₹ 2,26,54,585/- in respect of MTM losses based on determination of fair market value of derivatives entered into by the Company. The Holding Company is of the view that MTM loss has to be worked out taking into account the spot exchange rate(s) on the reporting date as it is committed to continue derivative contracts till their maturity and hence, applying the fair market values presuming that the derivative contracts would be cancelled on the reporting date, shall not reflect the correct financial position. However, the Bank which has entered into derivative contract with the Holding Company has intimated that, the loss on account of MTM is ₹ 12,98,26,488/- as on 31st March, 2016 as against the amount of ₹ 2,26,54,585/-, determined by the Holding Company, which is disclosed as Exceptional Item.

35.2 Kotak Mahindra Bank Limited

In respect of derivative contracts entered into by the Holding Company with ING Vysya Bank (now amalgamated with Kotak Mahindra Bank Limited w.e.f. 1st April, 2015), the bank had prematurely terminated the contracts and had demanded termination and liquidation fees aggregating to ₹ 28,75,00,000/-, which are disputed by the Holding Company and hence not provided for.

36 Other Advances

Other Advances includes ₹ 61,66,529/- as on 31st March, 2016 comprising of cash seized by the Income Tax department from the Group at the time of search on 13th June, 2014, as details below:

Name of the Company	Amount in ₹
Arshiya Limited	31,01,229
Arshiya Supply Chain Management Private Limited	10,65,300
Arshiya Rail Infrastructure Limited	20,00,000
Total	**61,66,529**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

During the year the Group has requested Income Tax department to adjust cash seized by the Income Tax department as stated above against the outstanding tax dues of the Holding Company for Assessment Year 2013-14.

37 Proceedings against Group

Certain Lenders and Creditors have filed winding up petitions/cases/other legal proceedings for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities.Claims by the said lenders and creditors have been contested by the Group in those proceedings and not acknowledged as debts. It is not possible at this juncture to estimate the financial implications of such claims.

38 Scheme of Amalgamation of Arshiya FTWZ Limited and Arshiya Domestic Distripark Limited

The Scheme of Amalgamation of Arshiya FTWZ Limited and Arshiya Domestic Distripark Limited with the Holding Company became effective from 4th January, 2013. The entire undertaking of the transferor companies including all assets, liabilities and reserves vested in the Company on the appointed dated, i.e., 1st April, 2012 for which necessary impact had been given in the accounts for the year ended 31st March, 2013. However, land belonging to Arshiya Domestic Distripark Limited has yet not been transferred in the name of the Holding Company.

39 Withdrawal of Scheme of Amalgamation of Subsidiaries

The Scheme of Amalgamation of Arshiya Northern FTWZ Limited and Arshiya Industrial & Distribution Hub Limited with Arshiya Transport and Handling Limited has been withdrawn in the court.

40 Indirect Taxes Refund Receivable

(i) As per the Notification dated 16th May, 2013, issued by the government of Maharashtra, MVAT exemption/refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Holding Company has claimed refund of ₹ 16,84,56,227/- in respect of transactions prior to record date. The Holding Company is of the view that the state government has exempted it from local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra.

The Holding Company has filed a writ petition in the High Court of Bombay challenging the constitutional validity of MVAT on various grounds and has claimed refund of ₹ 16,84,56,227/-. The petition has been admitted and issues are framed and further hearing and final disposal is pending.

Accordingly, these financial statements reflect a sum of ₹ 16,84,56,227/- as refund receivable on account of MVAT. In case the refundis not granted, the necessary adjustment entries shall be recorded in the year in which finality is reached.

(ii) Refunds receivable in respect of VAT, Service Tax, Local Entry Tax and Service Tax for which appeals are pending with respective Appellate Authorities. The Management is of the view that the refunds claimed as above aggregating to ₹ 3,55,05,623 are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds.

The Management is of the view that the refunds claimed as above are considered good for recovery.

41 Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits

a. Brief descriptions of the plans

The Group's defined contribution plans are Provident Fund and Employees State Insurance where the Group has no further obligation beyond making the contributions. The Group's defined benefit plans include gratuity. The employees are also entitled to leave encashment as per the Group's policy.

b. Defined benefit plan – Gratuity (Funded)

(Amount in ₹)

Particulars	31st March 2016	31st March 2015
I. Actuarial assumptions		
Discount rate	7.55%	7.80%
Rate of return on plan assets	7.55%	9.00%
Salary Escalation Rate	7.00%	7.00%
Attrition rate	15.00%	15.00%
II. Change in defined benefit obligations		
Liability at the beginning of the year	1,16,27,468	1,69,61,464
Interest cost	8,68,466	15,56,533
Current service cost	33,83,703	45,52,281
Benefits paid	(9,86,538)	(4,13,077)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Actuarial (gain)/loss on obligations	(6,31,870)	(1,10,29,633)
Liability at the end of the year	**1,42,61,229**	**1,16,27,568**
III. Fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,04,79,642	76,62,406
Expected return on plan assets	9,43,167	6,48,660
Actual Enterprise's Contributions	9,86,538	-
Benefits paid	(9,86,538)	(4,13,077)
Actuarial gain/(loss) on plan assets	(53,054)	25,81,653
Fair value of plan assets at the end of the year	**1,13,69,755**	**1,04,79,642**
IV. Actual return on plan assets		
Expected return on plan assets	9,43,167	6,48,660
Actuarial gain/(loss) on plan assets	(53,054)	25,81,653
Actual return on plan assets	**8,90,113**	**32,30,313**
V. Liability recognised in the Balance Sheet		
Liability at the end of the year	1,42,61,229	1,16,27,568
Fair value of plan assets at the end of the year	1,13,69,755	1,04,79,642
Liability recognised in the Balance Sheet	**28,91,474**	**11,47,926**
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VII. Expenses recognised in the Statement of Profit and Loss		
Current service cost	33,83,703	45,52,281
Interest cost	8,68,466	15,56,533
Expected return on plan assets	(9,43,167)	(6,48,660)
Net actuarial (gain)/loss to be on obligation	(5,78,816)	(1,36,11,286)
Net actuarial (gain)/loss to be on obligation	**27,30,186**	**(81,51,132)**
VIII.Balance Sheet reconciliation		
Opening net liability	11,47,826	92,99,058
Expenses as above	27,30,186	(81,51,132)
Actual Employer Contribution	(9,86,538)	-
Closing net liability	**28,91,474**	**11,47,926**
IX.Expected employers contribution in next year		
As per actuarial valuation report	19,80,912	13,43,780

C Leave Encashment (unfunded): **(Amount in ₹)**

Particulars	**31st March 2016**	**31st March 2015**
I. Actuarial assumptions		
Discount rate	7.55%	7.80%
Future salary rise	7.00%	7.00%
Attrition rate	15.00%	15.00%
II. Change in defined benefit obligations		
Liability at the beginning of the year	81,17,367	1,03,37,675
Interest cost	5,21,219	8,32,821
Current service cost	25,01,189	27,66,272
Benefits paid	(28,70,138)	(27,45,923)
Actuarial (gain)/loss on obligations	2,53,050	(30,73,479)
Liability at the end of the year	**85,22,687**	**81,17,366**
III. Liability recognised in the Balance Sheet		
Liability at the end of the year	16,64,005	81,17,366
Non Current Liability at the end of the year	68,58,682	-
Liability recognised in the Balance Sheet	**85,22,687**	**81,17,366**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

IV. Expenses recognised in the Statement of Profit and Loss		
Current service cost	25,01,189	1,03,37,675
Interest cost	5,21,219	5,25,614
Net actuarial (gain)/loss	2,53,050	(27,45,923)
Expense recognised in Statement of Profit and Loss	**32,75,458**	**81,17,366**
V. Balance Sheet reconciliation		
Opening net liability	81,17,367	1,03,37,675
Expenses as above	32,75,458	5,25,614
Benefits Paid	(28,70,138)	(27,45,923)
Closing net liability	**85,22,687**	**81,17,366**

Note: "Contribution to provident and gratuity fund" is recognised as an expense in Note No. 21 of the Statement of Profit and Loss.

42 Disclosure pursuant to Accounting Standard 17 – Segment Information

Primary Segment Information

The Group operates in two primary reportable business segments, i.e., "Free Trade and Warehousing Zone/Inland Container Depot" and "Rail Transport Operations" and one geographical segment i.e. India as per Accounting Standard 17 – "Segment Reporting".

(Amount in ₹)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
Segment Revenue		
External Sales		
FTWZ/ICD	1,11,11,77,876	85,89,69,472
Rail Transport Operations	1,97,58,54,641	2,38,23,90,187
Unallocated	-	9,44,185
Total External Sales	**3,08,70,32,517**	**3,24,23,03,844**
Other Income		
FTWZ/ICD	1,35,44,405	1,41,25,074
Rail Transport Operations	34,62,385	31,26,123
Unallocated	2,141	30,95,109
Total Other Income	**1,70,08,931**	**2,03,46,306**
Total Revenue	**3,10,40,41,448**	**3,26,26,50,150**
Segment Result		
FTWZ/ICD	(8,05,20,480)	13,47,03,590
Rail Transport Operations	(27,11,00,785)	(26,77,74,037)
Unallocated	(16,36,311)	(52,82,41,535)
Total Segment Result	**(35,32,57,576)**	**(66,13,11,982)**
Interest Expenses	3,43,22,01,062	4,04,02,24,008
Less: Exceptional Item	2,23,03,67,978	5,95,77,099
Less: Prior Period Item	(1,02,88,660)	3,54,74,825
Tax Expenses	3,19,87,695	(5,65,18,781)
Loss after tax	**(6,03,75,25,651)**	**(4,74,00,69,133)**
Other Information		
Segment Assets		
FTWZ/ICD	20,50,54,14,886	16,24,33,88,256
Rail Transport Operations	6,02,37,17,952	6,65,49,09,857
Unallocated	21,51,92,18,969	27,94,34,51,715
Total Segment Assets	**48,04,83,51,807**	**50,84,17,49,828**
Less: Eliminations	13,73,52,97,760	13,19,42,50,343
Total Assets	**34,31,30,54,047**	**37,64,74,99,485**
Segment Liabilities		
FTWZ/ICD	14,08,44,95,642	11,35,95,21,245
Rail Transport Operations	6,57,21,69,086	6,35,26,80,531
Unallocated	19,46,34,67,651	19,70,42,76,384
Total Segment Liabilities	**40,12,01,32,379**	**37,41,64,78,160**
Less: Eliminations	2,36,95,34,294	1,99,81,97,720
Total Liabilities	**37,75,05,98,085**	**35,41,82,80,440**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

43 Related party disclosures, as required by Accounting Standard 18 "Related Party Disclosures" as given below:

. **List of entities where control exists**
The list of subsidiary companies is disclosed in note 2 (v).

. **Key management personnel**
Mr. Ajay S Mittal – Chairman and Managing Director
Mrs. Archana A Mittal – Joint Managing Director
Mr. Subhrarabinda Birabar – Chief Executive Officer (Resigned w.e.f. 17/03/2016)
Mr. Ranjit Ray – Chief Executive Officer of Rail Operations
Ms. Savita Dalal – Company Secretary (w.e.f. 10/07/2015)
Mr. V. L. Ganesh – Chief Financial Officer (w.e.f. 10/07/2015 to Resigned w.e.f. 19/02/2016)
Mr. Vaibhav Bhakhare - Company Secretary (Resigned w.e.f. 31/03/2015)
Mr. Shyam Rathi - Chief Financial Officer (Resigned w.e.f. 14/11/2014)

. **Relative of Key Management Personnel**
Mr. Ananya Mittal – Vice President Corporate Strategy

. **Enterprises owned or significantly influenced by key management personnel or their relatives**
Mega Management Services Private Limited

Note:
The related party relationships have been determined by the management onthe basis of the requirements of the AS-18 and the same have been relied upon by the auditors.

The nature and amount of transactions with the above related parties are as follows:

(Amount in ₹)

Nature of transaction	Name of the Party	31st March 2016	31st March 2015
Remuneration	Mr. Ananya Mittal	19,45,460	-
	Mr. Subhrarabinda Birabar	1,13,19,042	19,03,332
	Mr. Vaibhav Bakhare	-	15,89,019
	Mr. Shyam Rathi	-	42,86,879
	Mr. V. L. Ganesh	48,23,337	-
	Mr. Ranjit Ray	1,03,77,322	1,05,12,239
	Ms. Savita Dalal	8,20,937	6,12,242
Loans and Advances taken	Mr. Ajay S Mittal	-	2,50,00,000
	Mrs. Archana A Mittal	53,48,30,288	22,48,95,874
Loans and Advances taken repaid/adjusted	Mr. Ajay S Mittal	27,633	2,23,71,600
	Mrs. Archana A Mittal	10,99,21,577	4,14,64,643
Conversion of Warrants into Equity	Mr. Ajay S Mittal	-	20,60,25,000
	Mrs. Archana A Mittal	-	6,88,75,000
Conversion of Loans into Equity	Mr. Ajay S Mittal	-	41,34,24,680
	Mrs. Archana A Mittal	41,97,50,000	88,31,75,320
Share Application money given	Mega Management Services Private Limited	-	3,00,000
Share Application money received back	Mega Management Services Private Limited	-	13,00,000
Outstanding balances			
Loans and Advances taken	Mr. Ajay S Mittal	3,750	31,383
	Mrs. Archana A Mittal	3,27,91,222	2,76,32,511

44 **Disclosure pursuant to Accounting Standard 19 – Leases:**

(a) **Finance Lease:**
The Holding Company has acquired vehicles under finance lease. Details of lease rentals payable are as follows:

(Amount in ₹)

Particulars	Not later than one year	Later than one year but not later than five years
Minimum lease payment	4,22,304 (4,22,304)	2,46,344 (6,68,648)
Less: Finance charges payable in future	48,159 (86,507)	8,676 (56,835)
Present value of the lease rentals	3,74,145 (3,35,797)	2,37,668 (6,11,813)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Operating Lease:

The Group has taken certain offices on cancellable operating lease, whichare renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such lease are ₹ 3,48,27,839/- (₹ 4,75,86,438/-).

45 Earnings per share:

Particulars	31st March 2016	31st March 2015
Loss after tax (Amount in ₹)	(6,03,75,25,651)	(4,74,00,69,133)
Weighted average number of shares (Number)	14,19,16,658	10,69,22,623
Nominal value per share (Amount in ₹)	2	2
Earnings per share – Basic and Diluted (Amount in ₹)	(42.54)	(44.33)

46 Taxation

(i) In view of loss for the year computed as per the provisions of the Income Tax Act, 1961 (The "Act"), no provision for taxation has been made except in case of a subsidiary made a provision of ₹ 75,50,000/-.

(ii) Deferred Tax Assets consist of substantial amounts of carry forward losses and unabsorbed depreciation under the Income Tax Act, 1961. However, since the availability of sufficient future taxable income against which the said benefits can be set off is not possible to be ascertained with virtual certainty, Deferred Tax Assets have not been recognised as a measure of abundant caution.

47 Prior Period Adjustments (net) included in Statement of Profit and Loss:

(Amount in ₹)

S. No.	Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
(a)	Wagon lease rent	-	37,34,828
(b)	Rates and taxes	-	92,85,203
(c)	Interest expense	-	2,24,54,794
(d)	Finance charges	31,87,500	-
(e)	Professional fees	21,58,709	-
(f)	Interest reversed	(19,00,095)	-
(g)	Reversal of penal interest	(1,42,00,000)	
(h)	Service tax paid on demand	4,65,226	-
	Total	**(1,02,88,660)**	**3,54,74,825**

48 a. Derivative contracts entered into by the Group for hedging purpose and outstanding as at March 31, 2016 are as under:

Particulars	Financial Year Ended	Foreign currency amount	Equivalent amount (in ₹)
Long-term borrowings**			
USD	2016	3,80,74,931	2,52,26,54,585
	2015	2,18,09,091	1,12,39,50,000

(** Refer Note No. 35.1(ii))

b. Details of foreign currency transactions/balances not hedged by derivative instruments or otherwise are as under:

Particulars	Financial Year Ended	Foreign currency amount	Equivalent amount (in ₹)
Bank balances			
USD	2016	5	317
	2015	5	317
Receivables			
USD	2016	24,44,066	15,98,74,076
	2015	42,81,609	26,39,88,970
EUR	2016	18,150	13,38,029
	2015	77,592	51,52,019
Security Deposits Payable			
USD	2016	80,935	52,93,986
	2015	-	-
EUR	2016	3,609	2,66,071
	2015	-	-
Payables			
USD	2016	-	-
	2015	71,566	44,12,784
EUR	2016	-	-
	2015	3,609	2,39,435

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

49 Payment to Auditors:

Particulars	31st March 2016	31st March 2015
For Standalone		
Audit Fees	41,00,000	33,00,000
Other Service	11,00,000	-
Certification Fees	18,500	23,400
Reimbursement of expenses	55,000	-
For Subsidiaries		
Audit Fee	35,60,222	32,80,388
Other Services	25,000	23,500
Reimbursement of expenses	28,560	26,696
Total	**88,87,282**	**66,53,984**

50 Remuneration of ₹ 114.82 lacs paid/provided to the Ex-ecutive Director for F.Y. 2013-14:
The Holding Company had filed an application to the Central Government forwaiver of excess remuneration paid. The Holding Company had received final reminder dated 3rd March, 2016 received on 16th March, 2016 from the Central Government directing it to furnish certain information/document/clarification which has been provided to the Central Government on 1st April, 2016.

51 Key Managerial Personnel

51.1 As per Provisions of sub section 4 of Section 203 of Companies Act, 2013 the Holding Company is required to appoint Chief Financial Officer (CFO) as Key Managerial Personnel. Mr. Shyam Rathi ceased to be CFO w.e.f. 14th November 2014 and Mr. V. L. Ganesh was appointed in his place w.e.f. 10th July 2015. Further, Mr. V. L. Ganesh has resigned w.e.f. 19th February 2016. The Holding Company is in the process of identifying a suitable individual for this role. (In the interim the Holding Company has appointed Mr. Santosh Maheshwari as Group President who has extensive experience of over 26 years with very large Indian Corporate entities.)

51.2 As per Provisions of sub section 1 of Section 203 of Companies Act, 2013 two Subsidiary Companies are required to appoint Managing Director or Whole Time Director or Chief Executive Officer and Chief Financial Officer (CFO). However, Arshiya Central FTWZ Limited and Arshiya Industrial and Distribution Hub Limited have not complied with the said requirements and are in the process of identifying a suitable candidate for these roles.

51.3 As per Provisions of sub section 1 of Section 203 of Companies Act, 2013 four Subsidiary Companies are required to appoint a Company Secretary. However, Arshiya Central FTWZ Limited, Arshiya Rail Infrastructure Limited, Arshiya Northern FTWZ Limited and Arshiya Industrial and Distribution Hub Limited have not compiled with the said requirement and are in the process of identifying a suitable candidate for this role.

52 The Group is of the view that the provisions of Section 185 of the Companies Act, 2013 as regards loans/guarantees granted/received are not applicable, as the same are provided/received in the normal course of business.

53 Previous year's figures have been regrouped/reclassified wherever necessary to conform to those of current year's classification/disclosures.

Signatures to Notes forming part of Financial Statements

For **M. A. Parikh & Co.**
Chartered Accountants
Firm Registration No. 107556W

For and on behalf of the Board of Directors of
Arshiya Limited

Mukul Patel
Partner
Membership No. 32489

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Date: 25th May, 2016

Savita Dalal
Company Secretary

ARSHIYA LIMITED

CIN: L27320MH1981PLC024747
Registered Off: 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018
Tel: +91 22 42305500/02 **Fax:** +91 22 4230 5555 **E-mail:** info@arshiyalimited.com **Website:** www.arshiyalimited.com

ATTENDANCE SLIP
THIRTY FIFTH ANNUAL GENERAL MEETING

I, a member/ proxy / authorised representative for a member of the Company, hereby record my presence at the 35th Annual General Meeting of the Company on Friday, 29th July, 2016 at 10.30 a.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018.

Registered Folio no./ DP ID no./ Client ID no.:		
Name and Address of the Shareholder :		
Number of shares held :		
If Shareholder(s) please sign here	If Proxy, please mention name and sign here	
	Name of Proxy	Signature

ELECTRONIC VOTING PARTICULARS

EVEN (e- voting event number)	User ID	Password
104260		

Notes:

(1) Shareholders / Proxy holders as the case may be are requested to produce the attendance slip duly signed at the Meeting entrance.

(2) Members holding shares in physical form, are requested to advise change in their address, if any, to the Registrar & Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai-400072

FORM NO. MGT-11 (PROXY FORM)
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

ARSHIYA LIMITED

CIN: L27320MH1981PLC024747
REGD OFFICE: 302, LEVEL-3, CEEJAY HOUSE, SHIV SAGAR ESTATE, F-BLOCK, DR. ANNIE BESANT ROAD, WORLI, MUMBAI-400018

35th Annual General Meeting- 29th July, 2016

Name of the member (s)	
Registered Address:	
E-mail Id:	
Folio No/Client ID*:	**DP ID*:**

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. **Name:**..... **Email ID :**.....

   Address:.....

   .....**Signature:**

   Or failing him/her

2. **Name:**..... **Email ID :**.....

   Address:.....

   .....**Signature:**

   Or failing him/her

3. **Name:**..... **Email ID:**.....

   Address:.....

   .....**Signature:**

   Or failing him/her

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Thirty Fifth Annual General Meeting of the Company, to be held on Friday, the 29th day of July, 2016 at 10.30 a.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai- 400 018 and at any adjournment thereof in respect of resolutions are indicated below:

Resolution No.	Resolutions	Vote** FOR	Vote** AGAINST	ABSTAIN
Ordinary Business				
1.	**Adoption of Annual Accounts of the Company as on March 31, 2016** (Ordinary Resolution)			
2.	Appointment of Mr. Ajay S Mittal as director liable to retire by rotation (Ordinary Resolution			
3.	**Appointment of M/s. M. A Parikh & Co., Chartered Accountants, as Statutor Auditors of the Company and fixing their remuneration** (Ordinary Resolution)			
Special Business				
4.	**Ratification of Remuneration to Cost Auditor** (Ordinary Resolution)			
5.	**Approval for Material Related party transactions** (Ordinary Resolution)			
6.	**Approval for entering into Related party transactions** (Ordinary Resolution)			

*Applicable for investors holding shares in Electronic form.

**This is only optional Please put a √ in the appropriate column against the resolutions indicated in the Box. Alternatively you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote, if you leave all the columns blank against any or all the resolutions your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed _____ this day of _____ 2016

Affix Revenue Stamp Rs.1/-

Signature of shareholder: _____

Signature of Proxy holder(s): _____

Note:

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting i.e. on or before 27th July 2016 at 10:30 a.m.

2) **A proxy need not be a member of the company.**

3) In case the appointer is a body corporate the proxy form should be signed under its seal or be signed by an office or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the proxy form.

4) A person can act as a proxy on behalf of such number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Further a member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Member.

5) In case of joint holders the signature of any one holder will be sufficient but names of all the joint holders should be stated.





Arshiya

Arshiya Limited
302, Level 3, Ceejay House
Shiv Sagar Estate, F Block,
Dr. A.B. Road, Worli,
Mumbai - 400 018
www.arshiyalimited.com