

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of Arshiya Central FTWZ Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **ARSHIYA CENTRAL FTWZ 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 significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Director is 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 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 judgments 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.

Auditors' 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 judgment, 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 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 in respect of non compliance of sub section (1) of section 203 of the Companies Act, 2013 relating to appointment of whole-time Chief Executive Officer, whole-time Chief Financial Officer and whole-time Company Secretary (Refer Note no 16).

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph* the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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;

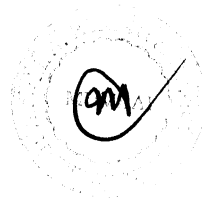


- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion the aforesaid financial statements comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on 31st March, 2016 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 does not have any pending litigation which would impact its financial position.
- (ii) The company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M. A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W



MUKUL M. PATEL
Partner
Membership No. 32489
Place: Mumbai
Date: 25th May, 2016



Annexure "A" to the Independent Auditors' Report
Annexure referred to in paragraph 1 of our report on Other Legal and Regulatory Requirements of even date

- (i) The Company does not have any fixed assets and hence, clause 3(i) of the Order is not applicable.
- (ii) Considering the nature of the business of the Company is not required to purchase any inventory and hence, clause 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loans to parties, covered in the register maintained under section 189 of the Act, and hence, clause 3(iii) of the Order is not applicable.
- (iv) The Company has not granted any loan to directors directly or indirectly and also no investment has made by the company and hence, clause 3(iv) of the Order is not applicable.
- (v) The company has not accepted any deposits from the public and hence, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations obtained, the Company is not required to maintain cost records as prescribed under Section 148(1) of the Act pursuant to the Companies (Cost Accounting Records) Rules 2013 notified by the Central Government of India vide notification dated 1 April 2014.
- (vii) In respect to statutory dues:
 - (a) According to the information and explanations given to us and according to the books and records as produced before us, in our opinion, there is no delay in payment of tax deducted at source by the Company.
 - (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year and hence, clause 3(viii) of the Order is not applicable.
- (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.

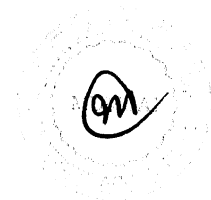


- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided during the year for managerial remuneration and hence, clause 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the 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 the 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 standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence, clause 3(xiv) of the Order is not applicable.
- (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 of the Company it 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 Reg. No. 107556W



Mukul M. Patel
Partner
Membership No. 32489



Place: Mumbai
Date: 25th May, 2016

Annexure- B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **ARSHIYA CENTRAL FTWZ 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

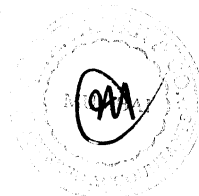
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 Institute of Chartered Accountants of India. 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 expenditures 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 Institute of Chartered Accountants of India.

For M. A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W



Mukul M. Patel
Partner
Membership No. 32489



Place: Mumbai
Date: 25th May, 2016



Arshiya Central FTWZ Limited

Financial Statement for the

Financial Year 2015-16

Arshiya Central FTWZ Limited
Balance Sheet as at 31st March, 2016


(Amount in ₹)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUNDS			
(a) Share Capital	3	21,38,40,230	21,38,40,230
(b) Reserves and Surplus	4	(21,39,03,920)	70,67,04,523
		(63,690)	92,05,44,753
2. CURRENT LIABILITIES			
(a) Other Current Liabilities	5	85,883	9,84,103
		85,883	9,84,103
Total		22,193	92,15,28,856
II. ASSETS			
1. NON-CURRENT ASSETS			
(a) Long-Term Loans and Advances	6	-	92,15,06,549
		-	92,15,06,549
2. CURRENT ASSETS			
(a) Cash and Cash Equivalents	7	22,193	22,307
		22,193	22,307
Total		22,193	92,15,28,856

Significant Accounting Policies
See accompanying notes to the financial statements

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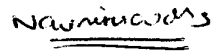
As per our report of even date
For M. A. Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W


Mukul Patel
Partner
Membership No.: 32489



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


Archana A Mittal
Director
DIN No.: 00703208


Navnit Choudhary
Director
DIN No.: 00613576

Place: Mumbai
Date: 25th May 2016



Arshiya Central FTWZ Limited
Statement of Profit and Loss for the year ended 31st March, 2016

(Amount in ₹)

Particulars	Note No.	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Revenue from Operations		-	-
Total		-	-
Expenses:			
Other Expenses	8	1,04,235	88,826
Total		1,04,235	88,826
Loss before Exceptional Item and Prior Period Adjustment		(1,04,235)	(88,826)
Exceptional Item	9	92,04,92,972	4,043
Prior Period Adjustment	10	11,236	-
Loss for the year		(92,06,08,443)	(92,869)
Earnings per equity share			
Basic and Diluted	12	(43.051)	(0.004)

Significant Accounting Policies
 See accompanying notes to the financial statements

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 1 to 17

As per our report of even date
For M. A. Parikh & Co.
Chartered Accountants
 Firm Registration No. 107556W



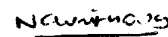
Mukul Patel
 Partner
 Membership No.: 32489



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



Archana A Mittal
 Director
 DIN No.: 00703208



Navnit Choudhary
 Director
 DIN No.: 00613576

Place: Mumbai
 Date: 25th May 2016



Arshiya Central FTWZ Limited
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 for the year	(92,06,08,443)	(92,869)
Adjustment for:		
Irrecoverable advances written off	92,04,92,972	4,043
Operating Loss before Working Capital Changes	(1,15,471)	(88,826)
Adjusted for:		
(Decrease) in Other Current Liabilities	(8,98,220)	(24,029)
Decrease in Non-Current Assets	10,13,577	1,12,855
Net Cash flow from Operating Activities	(114)	-
Cash and Cash Equivalents as at the beginning of the year	22,307	22,307
Cash and Cash Equivalents as at the end of the year	22,193	22,307

As per our report of even date
For M. A. Parikh & Co.
Chartered Accountants
 Firm Registration No. 107556W

Mukul Patel

Mukul Patel
 Partner
 Membership No.: 32489

Place: Mumbai
 Date: 25th May 2016

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

Archana A Mittal

Archana A Mittal
 Director
 DIN No.: 00703208

Navnit Choudhary

Navnit Choudhary
 Director
 DIN No.: 00613576



Arshiya Central FTWZ Limited
Notes to Financial Statements for the year ended 31st March, 2016

1 Corporate Information

The Company was incorporated on June 21, 2008 with the object of setting up Free Trade Warehousing Zone and to carry on such other related activities. The Company was formerly known as "Arshiya Central Logistics Infrastructure Limited" and its name has been changed to "Arshiya Central FTWZ Limited" w.e.f. 27/04/2010.

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 with mandatory 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) 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 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 Company and the assets can be measured reliably.

(iv) 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 obligations that 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.

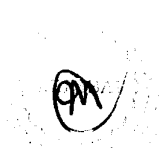
(v) Earnings per Share:

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.

(vi) 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.

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





Arshiya Central FTWZ Limited
Notes to Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
3. Share Capital		
Authorised 2,50,00,000 (previous year 2,50,00,000) Equity shares of ₹ 10/- each	25,00,00,000	25,00,00,000
Issued, Subscribed and Fully Paid 2,13,84,023 (previous year 2,13,84,023) Equity shares of ₹ 10/- each fully paid up	21,38,40,230	21,38,40,230
Total	21,38,40,230	21,38,40,230

(a) Terms/rights attached to the Equity Shares

The Company has one class of equity shares having a par value of ₹10/-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 in 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 the shares outstanding as at the beginning and end of the year

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	₹	Number	₹
Balance as at the beginning of the year	2,13,84,023	21,38,40,230	2,13,84,023	21,38,40,230
Balance as at the end of the year	2,13,84,023	21,38,40,230	2,13,84,023	21,38,40,230

(c) Shares held by Holding Company/ Fellow Subsidiary Company

Name of Share Holder	As at 31st March, 2016		As at 31st March, 2015	
	Number	₹	Number	₹
Arshiya Limited*	1,10,50,000	11,05,00,000	1,10,50,000	11,05,00,000
Arshiya Hong Kong Limited	1,03,34,023	10,33,40,230	1,03,34,023	10,33,40,230
Total	2,13,84,023	21,38,40,230	2,13,84,023	21,38,40,230

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

Name of Share Holder	As at 31st March, 2016		As at 31st March, 2015	
	No of Equity shares held	% Holding in the class	No of Equity shares held	% Holding in the class
Arshiya Limited*	1,10,50,000	52%	1,10,50,000	52%
Arshiya Hong Kong Limited	1,03,34,023	48%	1,03,34,023	48%
Total	2,13,84,023	100%	2,13,84,023	100%

*** Notes :-**

(i) Shares held by the Holding Company include 600 shares fully paid up, held through declaration of beneficial interest as per section 89 of the Companies Act, 2013.

(ii) As per Records of the Company, including its register of shareholders/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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Arshiya Central FTWZ Limited
Notes to Financial Statements for the year ended 31st March, 2016

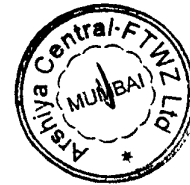
Particulars	(Amount in ₹)	
	As at 31st March, 2016	As at 31st March, 2015
4. Reserve & Surplus		
Security Premium		
Balance as at the beginning and end of the year	71,88,63,015	71,88,63,015
Surplus/(Deficit) in the statement of profit & loss		
Balance as at the beginning of the year	(1,21,58,492)	(1,20,65,623)
Loss for the year	(92,06,08,443)	(92,869)
Balance as at the end of the year	(93,27,66,935)	(1,21,58,492)
Total	(21,39,03,920)	70,67,04,523
5. Other Current Liabilities		
Creditors for Expenses (Refer Note No.14)	85,883	9,84,103
Total	85,883	9,84,103
6. Long Term Loans & Advances (Unsecured, Considered Good)		
Advances to Holding Company for purchase of land (Refer Note No.11)	-	92,15,06,549
Total	-	92,15,06,549
7. Cash and Cash Equivalents		
Balance with Bank	22,193	22,307
Total	22,193	22,307

(Signature)



Arshiya Central FTWZ Limited
Notes to Financial Statements for the year ended 31st March, 2016

Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015
8. Other Expenses		
Legal and Professional fees	11,450	18,500
Auditors Remuneration - Audit fees	51,525	22,472
Miscellaneous expenses	41,260	47,854
Total	1,04,235	88,826
9. Exceptional Item		
Irrecoverable advances written off (Refer Note No. 11)	92,04,92,972	4,043
Total	92,04,92,972	4,043
10. Prior Period Adjustment		
Legal and Professional fees	11,236	-
Total	11,236	-



Arshiya Central FTWZ Limited
Notes to Financial Statements for the year ended 31st March, 2016

- 11 The Company had given advance to Arshiya Limited (the holding company) for purchase of land at Nagpur (Near Bori Village) which is notified as Free Trade and Warehousing Zone by the Ministry of Commerce and Industry (Department of Commerce), Government of India. Arshiya Limited has forfeited the advance of ₹2,04,92,972/- on account of non compliance of the terms of the Memorandum of Understanding dated 25th March, 2016.

12 **Earnings per Share (EPS)**

Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Loss for the year (₹)	(92,06,08,443)	(92,869)
Number of Equity Shares	2,13,84,023	2,13,84,023
Nominal value per share (₹)	10	10
Basic and Diluted EPS	(43.051)	(0.004)

13 **Related Party and its relationship**

- (i) Related party disclosures as required by Accounting Standard 18 "Related Party disclosures" as given below (with whom transaction has been entered):

Name of Related Parties and Related Party relationship

Name of the Related Parties	Relationship
Arshiya Limited	Holding Company
Mrs. Archana A Mittal - Director (w.e.f. 01/03/2016)	Key Managerial Personnel (KMP)
Mr. Navnit Choudhary - Director	
Mr. Ranjit Ray - Director	
Mr. Binu Jacob - Director (w.e.f. 27/11/2014)	

Note:

The Related party relationships have been determined by the management on the basis of the requirements of AS 18 and same have been relied upon by the auditors.

The nature and amount of transactions with the above related parties are as follow:

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
Advance for acquisition of land		
Balance as on 1st April, 2015	92,15,06,549	92,16,19,404
Expenses incurred on behalf of the Company by the Holding Company	10,13,577	1,12,856
Irrecoverable advance written off	92,04,92,972	-
Closing Balance as at the end of the year	-	92,15,06,549

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14 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

S. No.	Description	As at	
		31st March 2016	31st March 2015
a)	Principal amount due and remaining unpaid	-	-
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.

15 Taxation

15.1 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.


15.2 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.

16 As per Provisions of sub section 1 of Section 203 of Companies Act, 2013 the Company is required to appoint Managing Director or Whole Time Director or Chief Executive Officer, Chief Financial Officer (CFO) and Company Secretary. However, the Company has not complied with the said requirements and is in the process of identifying a suitable candidate for these roles.

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

Signature to Notes forming part of Financial Statements

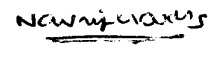
For M. A. Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W


Mukul Patel
Partner
Membership No. 32489

Place: Mumbai
Date: 25th May 2016

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


Archana A Mittal
Director
DIN No.: 00703208


Navnit Choudhary
Director
DIN No.: 00613576





Arshiya Industrial & Distribution Hub Limited
Financial Statement for the
Financial Year 2015-16

Arshiya Industrial & Distribution Hub Limited
Balance Sheet as at 31st March, 2016

Amount in Rupees

Particulars	Notes	As at	
		31st March, 2016	31st March, 2015
I. Equity and Liabilities			
1. Shareholder's funds			
(a) Share capital	4	14,99,29,950	14,99,29,950
(b) Reserves and surplus	5	1,10,15,32,845	2,01,40,90,279
		1,25,14,62,795	2,16,40,20,229
2. Non-Current liabilities			
(a) Long term borrowings	6	21,97,28,569	3,57,08,31,488
(b) Long term provisions	7	10,76,063	4,91,166
		22,08,04,632	3,57,13,22,654
3. Current liabilities			
(a) Trade payables	8	1,53,32,244	62,79,539
(b) Other current liabilities	9	5,90,19,54,349	1,84,04,97,564
(c) Short term Provisions	7	2,94,228	2,38,613
		5,91,75,80,821	1,84,70,15,716
Total		7,38,98,48,248	7,58,23,58,599
II. Assets			
1. Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		7,27,19,72,101	7,42,87,09,771
(ii) Intangible assets		-	3,74,757
(iii) Capital work-in-progress		-	3,90,55,683
		7,27,19,72,101	7,46,81,40,211
(b) Long-term loans and advances	11	15,33,800	80,41,325
		7,27,35,05,901	7,47,61,81,536
2. Current assets			
(a) Inventories	12	1,20,29,048	-
(b) Trade receivables	13	-	20,72,247
(c) Cash and bank balances	14	1,66,078	3,88,254
(d) Short-term loans and advances	11	10,41,47,221	10,37,16,562
		11,63,42,347	10,61,77,063
Total		7,38,98,48,248	7,58,23,58,599

Summary of Significant Accounting Policies

3

See accompanying notes to the financial 1-39 statements

As per our report of even date

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

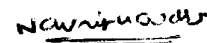
For and on behalf of the Board of Directors of
Arshiya Industrial & Distribution Hub Limited



Mukul Patel
 Partner
 Membership Number: 032489

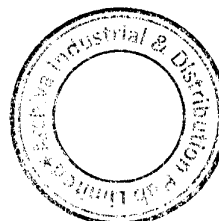


Ajay S Mittal
 Director
 DIN : 00226355



Navnit Choudhary
 Director
 DIN : 00613576

Place: Mumbai
 Date: 25th May, 2016



Arshiya Industrial & Distribution Hub Limited
Statement of Profit and Loss for the year ended 31st March, 2016

Amount in Rupees

Particulars	Notes	Year ended	
		March 31, 2016	March 31, 2015
I. Revenue:			
Revenue from operations	15	-	18,00,000
Other income	16	1,05,757	10,72,612
Total Revenue		1,05,757	28,72,612
II. Expenses:			
Cost of operations	17	-	5,05,620
Employee benefits	18	2,46,07,625	1,54,88,103
Finance costs	19	69,46,35,944	54,72,65,110
Depreciation and amortization	10	16,23,00,820	16,36,18,234
Other expenses	20	1,07,30,039	1,12,17,216
Total Expenses		89,22,74,428	73,80,94,283
III. Loss before Exceptional items and Tax (I - II)		(89,21,68,671)	(73,52,21,671)
IV Exceptional items (net)	33	2,03,88,763	22,23,096
V Loss for the year		(91,25,57,434)	(73,74,44,767)
Earnings per equity share:	27		
Basic and Diluted		(60.87)	(49.19)

Summary of Significant Accounting Policies 3

See accompanying notes to the financial statements 1-39

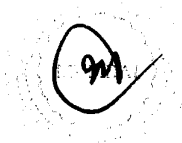
As per our report of even date

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

For and on behalf of the Board of Directors of
Arshiya Industrial & Distribution Hub Limited

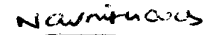


Mukul Patel
 Partner
 Membership Number: 032489



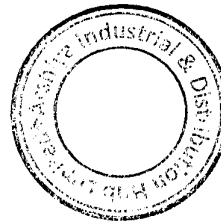


Ajay S Mittal
 Director
 DIN : 00226355



Navnit Choudhary
 Director
 DIN : 00613576

Place: Mumbai
 Date: 25th May, 2016



Arshiya Industrial & Distribution Hub Limited
Cash Flow Statement for the year ended 31st March, 2016

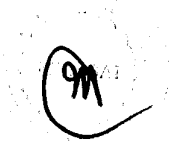
Amount in Rupees

Particulars	Notes	Year ended 31st March 2016	Year Ended 31st March 2015
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year		(91,25,57,434)	(73,74,44,767)
Adjustment for :			
Depreciation and amortisation		16,23,00,820	16,36,18,234
Fixed Assets written off		1,74,64,823	82,07,055
Finance expense		69,46,35,944	54,72,65,110
Fees for restructuring		30,00,000	-
Sundry balances written back (net)		(17,17,231)	(63,83,083)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(3,68,73,078)	(2,47,37,451)
Movement in working capital			
Increase/(decrease) in Trade and Other Payables		(21,49,709)	(15,55,592)
(Increase)/decrease in Trade and Others Receivable		81,31,043	(63,59,748)
CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		(3,08,91,744)	(3,26,52,791)
Income Tax Refunds		18,070	1,43,409
NET CASH FLOW FROM OPERATING ACTIVITIES	(A)	(3,08,73,674)	(3,25,09,382)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(62,63,768)	-
Sale of Fixed Assets		-	6,14,375
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	(B)	(62,63,768)	6,14,375
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) of long term borrowings		3,69,15,266	6,97,45,700
Interest paid		-	(5,16,91,878)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES	(C)	3,69,15,266	1,80,53,822
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(2,22,176)	(1,38,41,185)
Cash and cash equivalents at the beginning of the year		3,88,254	1,42,29,439
Cash and cash equivalents at the end of the year		1,66,078	3,88,254


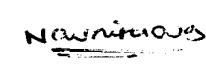
As per our report of even date

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

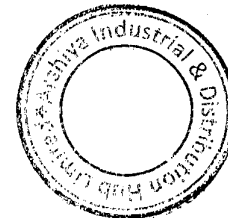

Mukul Patel
 Partner
 Membership Number: 032489



For and on behalf of the Board of Directors of
Arshiya Industrial & Distribution Hub Limited

 
Ajay S Mittal **Navnit Choudhary**
 Director Director
 DIN : 00226355 DIN : 00613576

Place: Mumbai
 Date: 25th May, 2016



Arshiya Industrial & Distribution Hub Limited
Notes to the financial statements for the year ended 31st March, 2016

1 General Information

Arshiya Industrial & Distribution Hub Limited (the 'Company') is a public limited company incorporated under the Provisions of the Companies Act, 1956 and is a subsidiary of Arshiya Limited, a Company listed in the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company is engaged in providing facility of warehousing including temperature controlled storage and other cargo/logistics related activities through Inland Container Depot (ICD).

2 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 with mandatory 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).

These financial statements are prepared by applying the "Going Concern" assumption based on future business plans.

3 Summary of Significant Accounting Policies

(i) Use of Estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and reported amounts of revenues and expenses during the reporting period. The difference between the actual results and estimates are recognised in the year in which the results are known or materialised.

(ii) Fixed Assets and capital work in progress

(a) Tangible Fixed Assets

Fixed assets are stated at original cost of acquisition/installation (net of cenvat credit availed, if any) less accumulated depreciation and impairment losses, if any, except land which is carried at its revalued amount being the estimated market value on the date of revaluation. All costs including borrowing cost incurred during pre-operational period till the commencement of commercial operations are capitalized.

(b) Intangible Assets

Intangible assets are carried at cost less accumulated amortization. The capitalized cost of software includes license fees, cost of implementation and system integration services. These costs are capitalized 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 costs, related incidental expenses and attributable interest.

(iii) Borrowing Costs

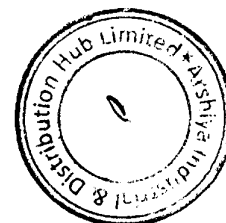
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised till the date of commencement of commercial operations as part of cost of such assets. All other borrowing costs are charged to revenue.

(iv) Depreciation and Amortization

(a) Depreciation on all Tangible Assets is provided on the straight line method at the rates and manner in accordance with Schedule II to the Companies Act, 2013.

(b) Amortisation of intangible assets other than (c) below, are 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.

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Arshiya Industrial & Distribution Hub Limited
Notes to the financial statements for the year ended 31st March, 2016

- (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.

(v) Leases

Finance Lease

- (a) Assets acquired under finance lease are capitalized and the corresponding lease liability is recognized 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 recognized with the asset under lease.

Operating lease

- (b) 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.

(vi) Inventory

Inventories are valued at cost or net realizable value, whichever is less.

(vii) Revenue Recognition

- (a) Revenue from allotment of warehousing space and open yard area is accounted on accrual basis as per agreed terms.
- (b) Revenue from value added services and other activities is recognized based on completion of agreed contracted services.
- (c) 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.

(viii) Employee benefits

Employee benefits include schemes such as provident fund, gratuity and leave encashment entitlements.

Defined Contribution Plan

Contributions to defined contribution scheme such as provident fund is charged to the Statement of Profit and Loss, as and when accrued.

Defined Benefit Plan

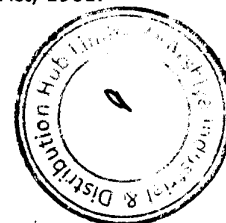
The liability for Leave encashment and Gratuity is determined on actuarial basis as per the Accounting Standard -15 "Employee Benefits" (AS 15) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts)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

(ix) 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 differences are recognised in the Statement of Profit and Loss.

(x) Accounting for Taxes on Income

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



Arshiya Industrial & Distribution Hub Limited
Notes to the financial statements for the year ended 31st March, 2016

- (b) Deferred Tax is recognized, 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 recognized 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 recognized 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.

(xi) Impairment

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 Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xii) 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 obligations that 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 recognized or disclosed in the financial statements.

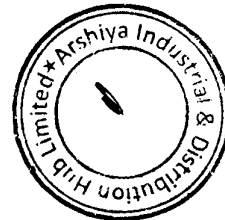
(xii) Earnings per Share

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.

(xiv) Cash Flow Statement

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

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



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2016

4. Share capital

Amount in Rupees

Particulars	AS AT	
	31st March 2016	31st March 2015
Authorised 2,00,00,000 (2,00,00,000) Equity Shares of Rs 10/- each	20,00,00,000	20,00,00,000
Issued, Subscribed and fully paid: 1,49,92,995 (1,49,92,995) Equity shares of Rs 10/- each	14,99,29,950	14,99,29,950
Total	14,99,29,950	14,99,29,950

(a) Terms and rights attached to the equity shares

The Company has one class of equity share having a par value of Rs 10/- 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	Amount in Rupees	Number	Amount in Rupees
Balance as at the beginning of the year	1,49,92,995	14,99,29,950	1,49,92,995	14,99,29,950
Balance as at the end of the year	1,49,92,995	14,99,29,950	1,49,92,995	14,99,29,950

(c) Equity Shares held by the Holding Company and Fellow Subsidiary Company

Particulars	AS AT 31st March 2016		AS AT 31st March 2015	
	Number	Amount in Rupees	Number	Amount in Rupees
Arshiya Limited *	1,35,86,659	13,58,66,590	1,35,86,659	13,58,66,590
Cyberlog Technologies (UAE) FZE, the Fellow Subsidiary	14,06,336	1,40,63,360	14,06,336	1,40,63,360
Total	1,49,92,995	14,99,29,950	1,49,92,995	14,99,29,950

(d) Details of shares held by the shareholders holding more than 5% of the aggregate Equity Shares in the Company

Particulars	AS AT 31st March 2016		AS AT 31st March 2015	
	Number	% of holding	Number	% of holding
Equity Share of Rs 10/- fully paid up				
Arshiya Limited *	1,35,86,659	90.62	1,35,86,659	90.62
Cyberlog Technologies (UAE) FZE	14,06,336	9.38	14,06,336	9.38
Total	1,49,92,995	100.00	1,49,92,995	100.00

* Notes :-

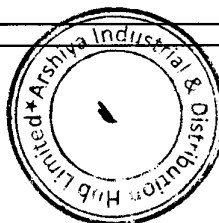
(i) Shares held by the Holding Company include 200 shares fully paid up, held through declaration of beneficial interest as per section 89 of the Companies Act, 2013.

(ii) As per Records of the Company, including its register of shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares

5. Reserves and surplus

Amount in Rupees

Particulars	AS AT	
	31st March 2016	31st March 2015
Securities Premium Balance as at the beginning and end of the year	2,75,75,17,492	2,75,75,17,492
Revaluation Reserve Balance as at the beginning and at the end of the year	1,05,25,46,008	1,05,25,46,008
Surplus/(Deficit) in Statement of Profit and Loss Balance as at the beginning of the year	(1,79,59,73,221)	(1,05,82,19,213)
Less: Adjustment for Depreciation	-	(3,09,241)
Loss for the year	(91,25,57,434)	(73,74,44,767)
Balance as at the end of the year	(2,70,85,30,655)	(1,79,59,73,221)
Total	1,10,15,32,845	2,01,40,90,279



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Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2016

6. Long term borrowings

Amount in Rupees

Particulars	Non-current		Current	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Secured Loans* (Refer Note No. 29)				
Term Loans (Refer Note (a) below)				
From Banks	-	3,34,06,54,610	3,87,36,81,310	53,25,68,126
From Others	12,00,74,529	16,69,79,530	7,35,24,926	2,66,19,925
	12,00,74,529	3,50,76,34,140	3,94,72,06,236	55,91,88,051
Unsecured Loans (Refer Note No.(b) below)				
From Holding Company	5,38,92,163	4,36,01,654	-	-
From Fellow Subsidiary Companies	4,57,61,877	1,95,95,694	-	-
	9,96,54,040	6,31,97,348	-	-
Less: Amount disclosed under the head "other current liabilities" (Refer Note No. 9)	-	-	(3,94,72,06,236)	(55,91,88,051)
Total	21,97,28,569	3,57,08,31,488	-	-

* During the year Secured CDR Lenders has exited from CDR package and as per letter dated 31st July, 2015 issued by CDR-EG approving the exit from CDR on account of failure of the restructuring package (Refer Note No 29). 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 (Refer Note No 9).

(a) The Term loans are secured as under :-

(i) Securities provided :

- First mortgage charge on all immovable properties (including equipments) and assets of the Company - both present and future
- First charge by way of hypothecation of all the movable assets including debtors, present and future.
- First charge/assignment and/or creation of security interest in favour of Lenders.
- Personal guarantee of two Directors of the Company, being Promoters of the Holding Company
- Pledge of all the Equity Share of the Company held by the Holding Company.
- Corporate Guarantee of the Holding Company.

(ii) Rate of Interest is 11% p.a. upto 31.03.2015 and 13% p.a. thereafter

(iii) Repayment Schedule of Secured Loans as on 31-03-2016 is as follows :-

Amount in Rupees

Financial year	Term Loans from Banks	Term Loans from Others	Total
2012-2013	8,45,05,305	9,16,883	8,54,22,188
2013-2014	23,66,63,995	1,20,36,006	24,87,00,001
2014-2015	31,16,50,414	1,58,49,586	32,75,00,000
2015-2016	37,82,62,715	1,92,37,284	39,74,99,999
2016-2017	50,11,14,833	2,54,85,167	52,66,00,000
2017-2018	59,48,47,858	3,02,52,142	62,51,00,000
2018-2019	74,52,96,502	3,79,03,499	78,32,00,001
2019-2020	82,23,76,452	4,18,23,549	86,42,00,001
2020-2021	19,89,63,236	1,00,95,339	20,90,58,575
Total	3,87,36,81,310	19,35,99,455	4,06,72,80,765

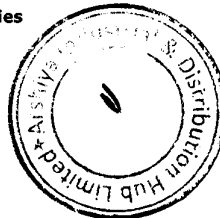
iv) Details of continuing default in repayment of Principal amount of Term Loan as on 31st March, 2016 is as follows:-

Amount in Rupees

Financial year	Term Loans from Banks	Term Loans from others	Total
2012-13	8,45,05,305	9,16,883	8,54,22,188
2013-14	23,66,63,995	1,20,36,006	24,87,00,001
2014-15	31,16,50,414	1,58,49,586	32,75,00,000
Jun-15	8,33,60,538	42,39,462	8,76,00,000
Jul-15	3,15,75,01,058	-	3,15,75,01,058
Sep-15	-	49,99,274	49,99,274
Dec-15	-	49,99,274	49,99,274
Mar-16	-	49,99,274	49,99,274
Total	3,87,36,81,310	4,80,39,759	3,92,17,21,069

(b) Loan from Holding Company and fellow Subsidiary Companies
Interest free loan repayable after 12 months but before 5 years.

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Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2016

7. Provisions

Amount in Rupees

Particulars	As at		As at	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Employee Benefits				
Gratuity (Refer Note No. 24)	5,77,105	1,76,637	-	-
Leave Encashment (Refer Note No. 24)	4,98,958	3,14,529	2,94,228	2,38,613
Total	10,76,063	4,91,166	2,94,228	2,38,613

8. Trade payables

Amount in Rupees

Particulars	As at	
	31st March 2016	31st March 2015
Trade Payables (Refer Note No. 23 & 36)		
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,53,32,244	62,79,539
Total	1,53,32,244	62,79,539

* Includes Rs. 1,32,94,174/- crores which are outstanding for more than 1 year. The Company is of the view that these dues will be paid during 2016-17 and hence presented as "Current".

9. Other current liabilities

Amount in Rupees

Particulars	As at	
	31st March 2016	31st March 2015
Current Maturities of Long Term Borrowings (Refer Note No. 6 & 29)		
Term Loans from Banks*	3,87,36,81,310	53,25,68,126
Term Loan from Other	7,35,24,926	2,66,19,925
	3,94,72,06,236	55,91,88,051
Interest accrued and due on		
Term Loans from Banks **	1,79,34,49,675	1,10,44,32,126
Term Loans from Other	5,55,48,452	5,59,95,597
	1,84,89,98,127	1,16,04,27,723
Other Liabilities		
Project Creditors (Refer Note No. 23 & 36)	4,70,93,636	6,52,48,475
	27,16,775	33,10,502
Employee's Dues***	1,45,13,198	1,24,53,095
	6,43,23,609	8,10,12,072
Statutory Liabilities		
Tax Deducted at Source	2,77,51,782	3,03,73,830
Provident Fund & Profession Tax	85,982	61,220
Entry Tax	-	8,53,762
Works Contract Tax	1,77,665	3,81,633
Interest payable on delayed payment of Statutory dues	1,34,10,948	81,99,273
	4,14,26,377	3,98,69,718
Total	5,90,19,54,349	1,84,04,97,564

* Includes aggregating to Rs 387,32,22,736 recalled by Banks.

** Includes aggregating to Rs 179,34,49,675 Interest accrued and due on loans recalled by Banks.

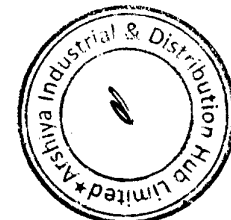
***Includes aggregating to Rs.1,00,80,020/- crores which are outstanding for more than 1 year. The Company is of the view that these dues will be paid during 2016-17 and hence presented as "Current".

Details of Unpaid Interest on term loan as on 31-03-2016 is as follows :-

Amount in Rupees

Financial year	Loans from banks	Loans from others	Total
2013-14	60,35,52,458	3,01,05,542	63,36,58,000
2014-15	50,08,79,668	2,54,42,910	52,63,22,578
Apr-15	5,31,81,654	-	5,31,81,654
May-15	5,55,41,560	-	5,55,41,560
Jun-15	5,43,43,355	-	5,43,43,355
Jul-15	5,67,54,810	-	5,67,54,810
Aug-15	5,73,81,445	-	5,73,81,445
Sep-15	5,61,43,548	-	5,61,43,548
Oct-15	5,86,34,886	-	5,86,34,886
Nov-15	5,73,69,947	-	5,73,69,947
Dec-15	5,99,15,706	-	5,99,15,706
Jan-16	6,05,77,241	-	6,05,77,241
Feb-16	5,72,94,720	-	5,72,94,720
Mar-16	6,18,78,677	-	6,18,78,677
Total	1,79,34,49,675	5,55,48,452	1,84,89,98,127

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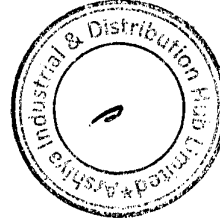
Arshiva Industrial & Distribution Hub Limited
Notes to the financial statements for the year ended 31st March, 2016

10. Fixed Assets

Description of Assets	Gross Block		Depreciation / Amortization		Net Book Value	
	As at 1st April, 2015	Additions	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2016	As at 31st March, 2016
a) Tangibles						
Freehold Land	2,03,79,37,270	-	2,03,79,37,270	-	2,03,79,37,270	2,03,79,37,270
Building	4,80,55,17,533	86,05,603	4,81,22,65,412	18,69,78,993	4,54,92,56,453	4,61,85,38,540
Plant & Equipment*	54,25,79,312	-	53,99,19,200	7,31,17,335	10,77,75,907	46,94,61,977
Furniture and Fixtures	9,01,33,911	-	9,01,33,911	1,71,50,335	2,61,83,666	7,29,83,576
Office Equipments	7,05,55,997	3,25,625	7,08,74,197	2,21,48,615	3,95,34,859	4,84,07,382
Computers	2,64,72,447	-	2,63,98,373	1,13,26,859	1,55,11,945	1,51,45,588
Electrical Installation	20,03,12,417	-	20,03,12,417	3,40,76,979	5,46,76,774	16,62,35,438
Vehicle	-	8,56,500	8,56,500	-	33,069	8,23,431
Total	7,77,35,08,887	97,87,728	7,77,86,97,280	34,47,99,116	50,67,25,179	7,42,87,09,771
Previous Year	7,77,35,08,887	-	7,77,35,08,887	18,15,13,832	34,47,99,117	7,42,87,09,771
b) Intangibles						
Softwares	13,20,033	-	13,20,033	9,45,276	13,20,033	3,74,757
Total	13,20,033	-	13,20,033	9,45,276	13,20,033	3,74,757
Previous Year	13,20,033	-	13,20,033	3,03,086	9,45,276	3,74,757
Total	7,77,48,28,920	97,87,728	7,78,00,17,313	34,57,44,392	50,80,45,212	7,42,90,84,528
Previous Year Total	7,77,48,28,920	-	7,77,48,28,920	18,18,16,918	34,57,44,393	7,42,90,84,528
Capital work-in-progress	-	-	-	-	-	-
Notes						3,90,55,683

a. * During the year Company has adjusted the cost of the assets of Rs 45,99,335/- against the amount of credit balance of vendors written back during the year and correspondingly the accumulated depreciation of Rs 7,00,910/- in relation to the said credit balances has been adjusted against the depreciation for the year.

b. Refer Note No. 30 relating to Component Accounting



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2016

11.Loans and advances

Amount in Rupees

Particulars	Non Current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
(Unsecured, Considered Good)				
Capital advances	15,33,800	80,11,325	-	-
Deposits	-	30,000	-	-
	15,33,800	80,41,325	-	-
Other Loans and Advances				
Income Tax Payments (net)	-	-	-	18,070
Prepaid expenses	-	-	3,76,734	28,432
Other advances	-	-	1,15,813	7,47,246
Indirect Tax receivables	-	-	10,36,54,674	10,29,22,814
	-	-	10,41,47,221	10,37,16,562
Total	15,33,800	80,41,325	10,41,47,221	10,37,16,562

12.Inventories

Amount in Rupees

Particulars	As at	As at
	31st March 2016	31st March 2015
Stores and Spares	1,20,29,048	-
Total	1,20,29,048	-

13.Trade receivables

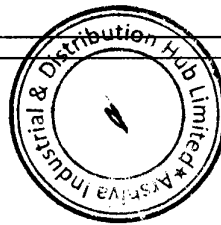
Amount in Rupees

Particulars	As at	As at
	31st March 2016	31st March 2015
(Unsecured, considered good)		
Outstanding for a period		
- exceeding six months from the date they became receivable	-	49,767
- others	-	20,22,480
Total	-	20,72,247

14.Cash and cash equivalents

Amount in Rupees

Particulars	As at	As at
	31st March 2016	31st March 2015
Cash and cash equivalents		
Balances with scheduled banks :		
In Current accounts	1,66,078	3,88,227
Cash on hand	-	27
Total	1,66,078	3,88,254



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2016

15. Revenue from operations

Amount in Rupees

Particulars	Year Ended	
	31st March 2016	31st March 2015
Sale of Services:		
Income from warehousing	-	18,00,000
Total	-	18,00,000

16. Other income

Amount in Rupees

Particulars	Year Ended	
	31st March 2016	31st March 2015
Interest income	1,269	2,79,953
Miscellaneous income	1,04,488	7,92,659
Total	1,05,757	10,72,612

17. Cost of operations

Amount in Rupees

Particulars	Year Ended	
	31st March 2016	31st March 2015
Direct Costs	-	5,05,620
Total	-	5,05,620

18. Employee benefits

Amount in Rupees

Particulars	Year Ended	
	31st March 2016	31st March 2015
Salaries, bonus and other allowances	2,31,81,387	1,47,64,751
Contribution to provident fund and other funds	8,43,799	4,34,828
Staff welfare expenses	5,82,439	2,88,524
Total	2,46,07,625	1,54,88,103

19. Finance costs

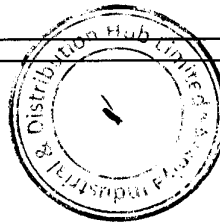
Amount in Rupees

Particulars	Year Ended	
	31st March 2016	31st March 2015
Interest on borrowings (Refer Note No 29)	68,85,70,404	54,39,72,042
Interest on delayed payment of statutory dues	53,20,252	26,31,512
Other borrowing cost	7,45,288	6,61,556
Total	69,46,35,944	54,72,65,110

20. Other expenses

Amount in Rupees

Particulars	Year Ended	
	31st March 2016	31st March 2015
Power & Fuel	17,747	11,52,179
Rent	3,00,000	3,00,000
Repairs and Maintenance - Building	40,44,928	2,67,759
Repairs and Maintenance - Others	6,29,027	1,35,617
Insurance	10,64,456	5,83,493
Rates & taxes	69,380	3,48,052
Legal and professional charges	23,77,278	54,63,209
Communication expenses	8,99,571	5,82,245
Travelling and conveyance expenses	7,78,210	12,39,104
Advertisement and Business Promotion Expenses	15,075	8,747
Printing and stationery	13,377	18,296
Auditor's remuneration		
- Audit fees	5,02,500	5,00,000
Miscellaneous expenses	18,490	6,18,515
Total	1,07,30,039	1,12,17,216



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Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2016

21. Contingent liabilities not provided for in respect of:

Description	Amount in Rupees	
	31st March 2015	31st March 2016
(a) Claims Against the Company not acknowledged as Debt	10,75,91,553	11,39,52,266
(b) Right to recompense by Secured Lenders	-	44,10,00,000
Total	10,75,91,553	44,10,00,000

22. Capital Commitments

Description	Amount in Rupees	
	31st March 2015	31st March 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	82,88,800	-
Total	82,88,800	-

23. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

Description	31st March 2015	31st March 2016
(a) Principal amount due and remaining unpaid	-	-
(b) Interest due on above	-	-
(c) Payments 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.

24. The disclosures as required as per the revised AS 15 are as follows:

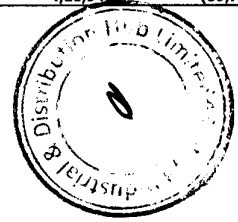
a - Brief descriptions of the plans

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 of the Company are also entitled to leave encashment as per the Company's policy.

b - Defined Benefit Plans

Description	31st March 2015		31st March 2016	
	As at 31st March 2015	As at 31st March 2015	As at 31st March 2016	As at 31st March 2016
I - Actuarial Assumptions:				
Discount Rate	7.55%	7.80%	7.55%	7.80%
Rate of Return on plan assets	7.55%	9.00%	-	-
Future salary rise	7.00%	7.00%	7.00%	7.00%
Attrition rate	15.00%	15.00%	15.00%	15.00%
II - Change in Defined benefit obligations:				
Liability at the Beginning of the Year	9,12,186	8,17,895	5,53,142	5,92,933
Service Cost	1,72,586	1,91,226	1,58,082	1,87,229
Interest Cost	71,150	71,802	35,778	55,083
Benefits Paid	-	(90,000)	(1,88,901)	-
Actuarial (Gain)/Loss	2,18,150	(78,737)	2,35,085	(2,82,103)
Liability at the End of the Year	13,74,072	9,12,186	7,93,186	5,53,142
III - Fair Value of Planned Assets:				
Fair Value of Planned assets at the beginning of the year	7,35,549	6,87,917	-	-
Expected Return on plan assets	66,199	55,934	-	-
Benefits Paid	-	(90,000)	-	-
Actuarial Gain/(Loss)	(4,781)	81,698	-	-
Fair value of Plan assets at the end of the year	7,96,967	7,35,549	-	-
IV. Actual Return on Plan Assets				
Expected Return on Plan Asset	66,199	55,934	-	-
Actuarial Gain / (Loss) on Plan Assets	(4,781)	81,698	-	-
Actual Return on Plan Assets	61,418	1,37,632	-	-
V. Amount Recognized in the Balance Sheet				
Liability at the end of the period	13,74,072	9,12,186	2,94,228	2,38,613
Fair Value of plan assets at the end of the year	(7,96,967)	(7,35,549)	-	-
Difference	5,77,105	1,76,637	2,94,228	2,38,613
Non Current Liability at the end of the year	-	-	4,98,958	3,14,529
Liability recognized in balance sheet	5,77,105	1,76,637	7,93,186	5,53,142
VI. Percentage of each category of plan assets to total fair value of plan assets				
Insured Managed Fund	100%	100%	-	-
VII. Expenses Recognised In the Statement of Profit and Loss				
Current Service Cost	1,72,586	1,91,226	1,58,082	1,87,229
Interest Cost	71,150	71,802	35,778	55,083
Expected return of Plan Assets	(66,199)	(55,934)	-	-
Net Actuarial (gain)/loss to be recognized	2,22,931	(1,60,435)	2,35,085	(2,82,103)
Plan Service Cost	-	-	-	-
Expense recognised in the Statement of Profit & Loss	4,00,468	46,659	4,28,945	(39,791)

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Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2016

VIII. Balance Sheet Reconciliation				
Opening Net Liability	1,76,637	1,29,978	5,53,142	5,92,933
Expense as above	4,00,468	46,659	4,28,945	(39,791)
Employers Contribution	-	-	(1,88,901)	-
Closing Net Liability	5,77,105	1,76,637	7,93,186	5,53,142
IX. Expected Employers contribution in the next year				
As per Actuarial Valuation report	5,19,287	3,98,490	-	-

Note:

"Contribution to provident and gratuity fund" is recognized as an expense in Note no. 18 in the Statement of Profit and Loss.

25. Disclosure pursuant to Accounting Standard 17 - Segment information

The Company is primarily engaged in the warehousing and handling business. In the opinion of the company, the entire operations are governed by same set of risk and returns and hence the same has been considered as representing the single primary segment. The Company provides services within India and it doesn't have any operation in economic environments with different risk and returns. Hence it is considered that the Company is operating in single geographical segment.

26. Disclosure pursuant to Accounting Standard 18 - Related party disclosures:

(i) Related Party Disclosures, as required by Accounting Standard 18 are as given below:

Related Party	Relationship
1) Arshiya Limited	Holding Company
2) Arshiya Northern FTWZ Limited	Fellow Subsidiaries
3) Arshiya Rail Infrastructure Limited	Fellow Subsidiaries
4) Mr. Ajay S Mittal - Director	Key Managerial Personnel (KMP)
5) Mrs. Archana A Mittal - Director	
6) Mr. Navnit Choudhary - Director	
7) Mr. Ranjit Ray - Director	
8) Mr. Ananya Mittal - V.P. Strategy	Relative of Key Managerial Personnel

Note:

The related party relationship has been determined by the management on the basis of the requirements of AS-18 and the same have been relied upon by the auditors.

(ii) The nature and volume of transactions during the year with the above related parties were as follows:

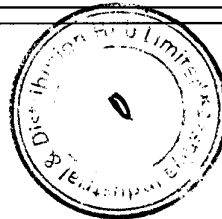
Transactions	Holding Company		Fellow Subsidiaries		Relative	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Loans Taken						
Balance as at the beginning of the year	4,36,01,654	2,52,47,938	1,95,95,695	-	-	-
Loans Taken during the year	1,09,91,467	1,83,53,716	2,83,41,975	2,12,12,735	-	-
Loans Repaid during the year	(7,00,958)	-	(21,75,793)	(16,17,040)	-	-
Issue of Equity Shares including Securities Premium	-	-	-	-	-	-
Balance as at the end of the year	5,38,92,163	4,36,01,654	4,57,61,877	1,95,95,695	-	-
Remuneration Paid	-	-	-	-	24,77,628	-
Balance as at the end of the year						
Corporate Guarantee	4,73,38,00,000	4,73,38,00,000	-	-	-	-

27. Disclosure pursuant to Accounting Standard 20 - Earnings per share

The number of shares used in computing Basic and Diluted Earnings Per Share is the weighted average number of shares outstanding during the year

Description of Share Capital (Basic and Diluted)	Amount in Rupees	
	As at 31st March, 2016	As at 31st March, 2015
Loss for the year	(91,25,57,434)	(73,74,44,767)
Weighted average number of shares (Number)	1,49,92,995	1,49,92,995
Nominal Value per share	10	10
Earnings Per Share - Basic & Diluted	(60.87)	(49.19)

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28. 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. 32.

29. Borrowings:-

i) Loans other than assigned to Asset Reconstruction Company (ARC):

(a) 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 since then. Such defaults entitle the CDR lenders to revoke the CDR Package approved by them and hence the CDR Lenders decided to exit the CDR.

(b) Further to the above, CDR-EG issued a letter dated 31st July, 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 Rs.67,94,65,302/- 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 Rs 67,94,65,302/-. 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.

ii) Loans Assigned to Asset Reconstruction Company (ARC):

a) Some of the Secured CDR Lenders had assigned their outstanding dues to an ARC, aggregating to Rs.24,91,47,907/- (Including Interest of Rs.5,55,48,452/-) on the same terms and conditions as per the original loan documents..

b) Pending finalization of the terms of restructuring with ARC, the Company has not provided for interest aggregating to Rs.3,50,00,300/- on loans assigned to the ARC from the respective dates of their assignment.

c) Consequent to CDR exit, the Company has not provided for additional estimated interest (from CDR cut of date till 31st March 2016) aggregating to Rs 3,43,52,114/-.

Had the Company provided for interest on such assigned loans, the loss for the year would have been higher by Rs.6,93,52,414/-.

d) 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 29 (ii) (b) and 29 (iii) (c) above in the period in which it is completed.

30.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.

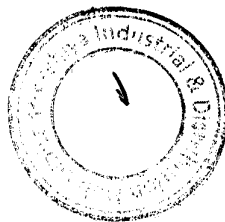
In the opinion of the Management, the Company's assets are such that there are no significant parts thereof whose life would be different than the useful life of the whole asset (Component accounting being a technical matter, the opinion of the Management is relied upon by the Auditors). Consequently, 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.

31.Invoking of Corporate Guarantee of Promoters and received notice of Possession in respect of properties mortgaged

Punjab National Bank (Bank), on behalf of certain Consortium Banks, 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 19th October, 2015 aggregating to Rs 586,57,51,992/-The bank has invoked Corporate Guarantee issued by 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 Company has received a notice of possession from the authorized officer of the bank under the power conferred on the bank u/s 13(4) of there said Act read with Rule 8(i) of Rules.

32.Revival Plan

The Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, Government of India under Section 7 (1) (aa),and the Office of the Commissioner of Customs, Noida Customs Commissionerate under Section 8(a) and (b) of Custom Act, 1962 has approved for setting up Inland Container Depot (ICD) at the Company's premises at Village Ibrahimpur, Junaaidpur, urf Maujpur, Tehsil - Khurja, District - Bulandshahr (Uttar Pradesh). Further, Management expects that the ICD, which will attract large number of EXIM containers and has identified additional revenue streams such as Container Handling Services at origin/ destination points and Terminal Access Charges, Terminal Handling Charges, for services offered at Khurja facility/ Terminal.



33.Details of Exceptional items (net) are as under:

Amount in Rupees

Exceptional Item	Year Ended	Year Ended
	31st March, 2016	31st March, 2015
1) Fixed Assets Written off	1,74,64,823	82,07,055
2) Fees for Restructuring	30,00,000	-
3) Irrecoverable Advances written off	16,41,171	3,99,124
4) Sundry balances written back (net)	(17,17,231)	(63,83,083)
Total	2,03,88,763	22,23,096

34.The Company is of the view that the provisions of Section 185 of the Companies Act, 2013 as regards Inter Company advances/loans/guarantees granted/received are not applicable, as the same are provided/received in the normal course of business.

35.Outstanding balances in respect of Loans and Advances, Trade Payables and Other liabilities other than due from/to Holding/Fellow Subsidiaries are subject to confirmations and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the accounts cannot be ascertained.

36.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. Disclosure pursuant to Accounting for Taxes on Income:

In view of loss for the year calculated as per the provisions of the Income Tax Act, 1961 (The "Act"), no provision for taxation has been made.

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 recognized as a measure of abundant caution.

38. Key Managerial Person

As per Provisions of sub section 1 of Section 203 of Companies Act, 2013 the Company is required to appoint Managing Director or Whole Time Director or Chief Executive Officer, Chief Financial Officer (CFO) and Company Secretary. However, the Company has not complied with the said requirements and is in the process of identifying a suitable candidate for these roles.

39. Previous year's figures have been regrouped/reclassified, wherever necessary to conform to those of current year presentation.

Signature to Notes forming part of Financial Statements

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

Mukul Patel

Mukul Patel
Partner
Membership No. 032489
Place: Mumbai
Date: 25th May,2016

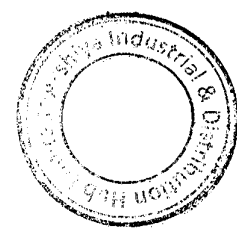


For and on behalf of the Board of Directors of
Arshiya Industrial & Distribution Hub Limited

Ajay S Mittal *Navnit Choudhary*

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Members of
ARSHIYA NORTHERN FTWZ LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Arshiya Northern FTWZ 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 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 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 judgments 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 judgment, 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 the basis for our audit opinion on the financial statements.

Basis for Qualified Opinion:

We draw attention to the following in respect of:

1. *non-provision of interest aggregating to Rs.25,85,78,370/- on loans other than assigned to Asset Reconstruction Company as referred to in Note no. 33(a)*
2. *non-provision of interest aggregating to Rs. 26,38,85,576/- on loans assigned to Asset Reconstruction Company as referred to in Note no. 33(b)*

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 Rs. 52,24,63,946/- would have been required to be provided. Accordingly, finance cost, loss for the year and other current liabilities would have been higher and share holder's funds would have been lower by Rs.52,24,63,946/-.

3. *non-compliance with the provisions of sub section (1) of Section 203 of the Act, relating to appointment of whole time Company Secretary as referred to in Note no. 43.*

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph, the 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 31st March, 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 Matter

1. The Company continues to be under severe financial stress as reflected by:
 - (a) Receipt of Notice of Possession in respect of properties mortgaged (Refer Note no. 37).
 - (b) Dues to banks and others being recalled by respective lenders aggregating to Rs.3,17,46,12,244/- (Refer Note no 11).
 - (c) Creditors for capital expenditure Rs. 38,37,14,757/- (Refer Note no 11).
 - (d) Unpaid employee's dues Rs. 40,21,399/- (Refer Note no 11).
 - (e) Unpaid statutory dues Rs. 54,12,255/- (Refer Note no 11).
2. Further to above, we draw attention to Note No. 40 relating to Inter-Company loans/ guarantees granted/received.

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. 32 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.
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, the Statement of Profit and Loss and the 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 accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of 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 litigations on its financial position in its financial statements - Refer to Note Nos. 28 (a) and 42;
- ii. The Company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M. A. Parikh & Co.
Chartered Accountants
(Firm Reg. No. 107556W)



Mukul Patel
Partner
Membership No. 032489



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 Requirement 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 lands are held in the name of the company.
- (ii) The nature of the business of the Company does not require it to purchase inventory and hence Clause 3 (ii) of the Order are not applicable.
- (iii) The Company has granted interest free unsecured loans to a party covered in the register maintained under Section 189 of the Companies Act, 2013. According to the terms of arrangement the loan 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 Rs. 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, investment and guarantees made. (Refer Note no. 40)
- (v) The Company has not accepted any deposits from the public and hence clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations obtained, the Company is not required to maintain cost records as prescribed under Section 148 (1) of the Act pursuant to the Companies (Cost Accounting Records) Rules 2013 notified by the Central Government vide notification dated 1 April 2014 and hence Clause 3 (vi) of the Order is not applicable.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed applicable statutory dues *except, Tax Deducted at Source and Works Contract Tax of Rs.46,49,191/- and Rs.13,774/- respectively which is outstanding as of the year-end for a period of more than six months from their due dates of payment.*



- (b) According to the information and explanations given to us, there are no amounts payable in respect to income tax, or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any disputes.
- (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 a Financial Institution, the defaults whereof are stated hereunder:

Default on account of non-payment of principal of Term Loans from/Short Term Loan "Banks" as stated below:

Period of Default	Name of Lender			
	Punjab National Bank	State Bank of India	Axis Bank	Punjab National Bank (Cash Credit)
FY 2012-13	4,02,39,829	2,03,12,741	1,71,39,224	-
FY 2013-14	9,37,04,344	4,73,18,247	3,99,30,960	-
FY 2014-15	11,16,80,279	5,63,95,625	4,75,91,185	3,07,05,157
Jun-15	3,01,82,998	1,52,41,626	1,28,62,116	-
July-15	52,84,09,631	26,68,33,065	22,51,75,305	-
Total	80,42,17,081	40,61,01,304	34,26,98,790	3,07,05,157

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

Period of Default	Name of EARC Trust		
	EARC Trust SC-189	EARC Trust SC-163	EARC Trust SC-131
FY 2012-13	1,42,56,728	99,02,154	1,44,52,244
FY 2013-14	4,00,94,087	2,88,15,076	4,41,37,286
FY 2014-15	4,77,85,606	3,43,42,866	5,26,04,439
Jun-15	1,29,14,661	92,81,593	1,42,17,010
Jul-15	22,60,95,191	16,24,91,545	-
Sep-15	-	-	1,42,17,010
Dec-15	-	-	1,42,17,010
Mar-16	-	-	1,42,17,010
Total	34,11,46,273	24,48,33,234	16,80,62,009

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

Period of Default	Name of Lender			
	Punjab National Bank	State Bank of India	Axis Bank	Punjab National Bank (Cash Credit)
FY 2013-14	13,64,41,977	7,08,93,142	5,84,26,916	-
FY 2014-15	11,95,20,801	5,83,70,654	4,17,30,638	55,21,828
Apr-15	1,04,56,773	52,80,300	43,67,707	4,15,442
May-15	1,09,11,905	55,10,126	45,57,812	4,34,230



Jun-15	1,06,67,532	53,86,727	44,55,739	4,25,219
July-15	1,11,31,838	56,21,184	46,49,676	4,44,449
Aug-15	1,12,45,291	56,78,474	46,97,065	4,49,734
Sep-15	1,09,93,452	55,51,305	45,91,874	4,40,401
Oct-15	1,14,71,943	57,92,926	47,91,735	4,60,318
Nov-15	1,12,15,029	56,63,193	46,84,424	4,50,766
Dec-15	1,17,03,164	59,09,684	48,88,314	4,71,151
Jan-16	1,18,22,440	59,69,914	49,38,135	4,76,753
Feb-16	1,11,72,420	56,41,677	46,66,627	4,51,298
Mar-16	1,20,56,799	60,88,257	50,36,025	4,87,787
Total	39,08,11,364	19,73,57,563	15,64,82,687	1,09,29,376

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 EARC Trust		
	EARC Trust SC - 189	EARC Trust SC - 163	EARC Trust SC - 131
FY 2013-14	5,84,00,315	4,36,50,933	6,42,55,241
FY 2014-15	4,98,94,252	3,46,17,154	5,61,83,369
Apr-15	44,62,940	32,14,653	-
May-15	46,57,190	33,54,571	-
Jun-15	45,52,892	32,79,445	-
July-15	47,51,057	34,22,183	-
Aug-15	47,99,479	34,57,063	-
Sep-15	46,91,994	33,79,641	-
Oct-15	48,96,994	-	-
Nov-15	47,86,564	-	-
Dec-15	49,94,899	-	-
Total	15,08,87,796	9,83,75,643	12,04,38,610

- (ix) According to the information and explanations given to us and based on our examination of the balance sheet and other records, during the year the Company did not raise any money by way of initial public offer or further public offer and not received any term loan 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, during the year the Company has not paid/ provided 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 standards (Refer Note no. 25).
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (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 Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Arshiya Northern FTWZ 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 Companies Act, 2013.

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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 expenditures 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 Institute of Chartered Accountants of India.

For M. A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W



Mukul M. Patel
Partner
Membership No. 32489



Place: Mumbai
Date: 25th May, 2016



ARSHIYA NORTHERN FTWZ LIMITED

Financial Statement for the

Financial Year 2015-16

Arshiya Northern FTWZ Limited
Balance Sheet as at 31st March, 2016

Particulars	Notes	Amount in Rupees	
		As at 31st March, 2016	As at 31st March, 2015
I. Equity And Liabilities			
1. Shareholders' Funds			
(a) Share Capital	4	9,55,06,260	9,55,06,260
(b) Reserves and Surplus	5	3,18,23,92,114	3,80,08,01,099
		3,27,78,98,374	3,89,63,07,359
2. Non-Current Liabilities			
(a) Long Term Borrowings	6	70,19,75,975	2,86,55,67,090
(b) Other Long Term Liabilities	7	6,82,500	9,92,500
(c) Long Term Provisions	8	6,97,029	5,72,333
		70,33,55,504	2,86,71,31,923
3. Current Liabilities			
(a) Short Term Borrowings	9	-	13,01,85,997
(b) Trade Payables	10	1,21,80,310	91,21,943
(c) Other Current Liabilities	11	3,92,73,85,965	1,28,30,22,224
(d) Short Term Provisions	8	51,733	50,677
		3,93,96,18,008	1,42,23,80,841
Total		7,92,08,71,886	8,18,58,20,123
II. Assets			
1. Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	7,55,23,19,879	6,69,16,03,243
(ii) Intangible Assets		2,03,92,706	4,08,97,767
(iii) Capital Work-In-Progress		-	1,11,66,36,527
		7,57,27,12,585	7,84,91,37,537
(b) Non Current Investments	13	11,49,08,880	11,49,08,880
(c) Long-Term Loans and Advances	14	22,62,900	1,82,84,105
(d) Other Non-Current Asset	16	41,72,979	38,67,767
		7,69,40,57,344	7,98,61,98,289
2. Current Assets			
(a) Trade Receivables	15	17,28,82,804	14,69,75,365
(b) Cash and Bank Balances	16	1,65,64,554	12,60,128
(c) Short Term Loans and Advances	14	3,73,67,184	5,13,86,341
		22,68,14,542	19,96,21,834
Total		7,92,08,71,886	8,18,58,20,123

Summary of Significant Accounting Policies 3

See accompanying notes to the financial 1-44 statements

As per our report of even date

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

Mukul Patel

Mukul Patel
 Partner
 Membership Number: 032489

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

Ajay S Mittal

Ajay S Mittal
 Director
 DIN : 00613576

Navnit Choudhary

Navnit Choudhary
 Director
 DIN : 00226355

Place: Mumbai
 Date: 25th May 2016



Arshiya Northern FTWZ Limited
Statement of Profit and Loss for the year ended 31st March, 2016

Amount in Rupees

Particulars	Notes	Year Ended 31st March, 2016	Year Ended 31st March, 2015
I. Revenue:			
Revenue From Operations	17	3,04,22,161	2,30,10,614
Other Income	18	21,96,996	7,67,005
Total Revenue		3,26,19,157	2,37,77,619
II. Expenses			
Cost of Operations	19	12,37,034	18,55,217
Employee Benefits	20	1,84,86,159	1,56,55,352
Finance Costs	21	33,99,48,754	40,22,43,299
Depreciation and Amortisation	12	14,79,54,443	16,05,18,138
Other Expenses	22	3,88,15,218	3,71,35,436
Total Expenses		54,64,41,608	61,74,07,442
III. Loss Before Exceptional items and Tax		(51,38,22,451)	(59,36,29,823)
IV Exceptional items (net)	39	10,11,20,358	(68,09,233)
V Loss for the year		(61,49,42,809)	(58,68,20,590)
Earnings per equity share Basic and Diluted	26	(64.39)	(61.44)

Summary of Significant Accounting Policies 3
 See accompanying notes to the financial statements 1-44

As per our report of even date

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

Mukul Patel

Mukul Patel
 Partner
 Membership Number: 032489

(M)

**For and on behalf of the Board of Directors of
 Arshiya Northern FTWZ Limited**

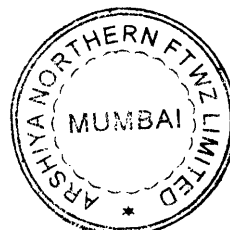
Ajay S Mittal

Ajay S Mittal
 Director
 DIN : 00613576

Navnit Choudhary

Navnit Choudhary
 Director
 DIN : 00226355

Place: Mumbai
 Date: 25th May 2016



Arshiya Northern FTWZ Limited

Cash Flow Statement for the year ended 31st March, 2016

Amount in Rupees

Particulars	Notes	Year Ended 31st March 2016	Year Ended 31st March 2015
Cash Flow From Operating Activities			
Loss for the year		(61,49,42,809)	(58,68,20,590)
Adjustments for :			
Interest Income		(3,91,009)	(4,06,117)
Sundry Balances Written Back		(96,31,518)	(3,22,84,209)
Fixed Assets Written Off		9,22,64,168	1,40,74,976
Fees for Restructuring		40,00,000	-
Loss on sale of Fixed Assets		1,44,87,708	-
Depreciation		14,79,54,443	16,05,18,138
Interest Expenses		33,99,48,754	40,22,43,299
Irrecoverable Advances Written Off		-	1,14,00,000
Operating (Loss) / Profit Before Working Capital Changes		(2,63,10,263)	(3,12,74,503)
Working Capital Changes:			
(Increase)/decrease in Trade and Others Receivable		41,32,923	(2,11,71,043)
Increase/(decrease) in Trade and Other Payables		(1,27,57,671)	38,14,01,721
CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		(3,49,35,011)	32,89,56,175
Taxes Refund / (paid)		7,97,480	(1,48,251)
Net Cash Flow From Operating Activities	(A)	(3,41,37,531)	32,88,07,924
Cash Flow From Investing Activities			
Sale of Fixed Assets		1,19,97,900	4,26,777
Investments in Fixed Deposit		(3,05,212)	(2,97,915)
Interest Received		3,39,125	4,06,117
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	(B)	1,20,31,814	5,34,979
Cash Flow From Financing Activities			
Proceeds from Long Term Borrowing (Net)		17,93,06,138	6,18,09,610
Repayment from Short Term Borrowing (Net)		(9,94,80,840)	-
Interest Expenses		(4,24,15,155)	(40,22,43,299)
NET CASH FLOW FROM FINANCING ACTIVITIES	(C)	3,74,10,143	(34,04,33,689)
Net increase / (decrease) in cash and cash equivalents	(A+B+C)	1,53,04,426	(1,10,90,786)
Cash and cash equivalents at the beginning of the year		12,60,128	1,23,50,914
Cash and cash equivalents at the end of the year		1,65,64,554	12,60,128

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 Northern FTWZ Limited**

Ajay S Mittal

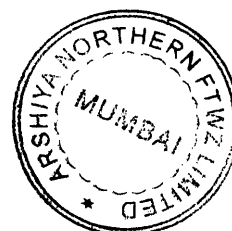
Director

DIN : 00613576

Navnit Choudhary

Director

DIN : 00226355



Arshiya Northern FTWZ Limited

Notes to the financial statements for the year ended 31st March, 2016

1 General Information

The Company was incorporated on 16th June, 2008 with the object of setting up & carry on activities pertaining to Free Trade & Warehousing Zone.

The Company has developed a Free Trade & Warehousing Zone at Khurja, District Bulandshahar in the state of Uttar Pradesh and the Government of India vide its Notification No. S. O. 2793(E) dated 16th November, 2010 has notified the aforesaid area as a Free Trade & Warehousing Zone under the provisions of The Special Economic Zone Act, 2005.

2 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 with mandatory 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).

These financial statements are prepared by applying the "Going Concern" assumption based on future business plans.

3 Summary of Significant Accounting Policies

(i) 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 recognized in the period in which the results are known or materialised.'

(ii) Fixed Assets and capital work in progress

(a) Tangible Fixed Assets

Fixed assets are stated at original cost of acquisition/installation (net of cenvat credit availed, if any) less accumulated depreciation and impairment losses, if any, except land which is carried at its revalued amount being the estimated market value on the date of revaluation. All costs including borrowing cost incurred during pre-operational period till the commencement of commercial operations are capitalized

(b) Intangible Assets

Intangible assets are carried at cost less accumulated amortization. The capitalized cost of software includes license fees, cost of implementation and system integration services. These costs are capitalized 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 costs, related incidental expenses and attributable interest.

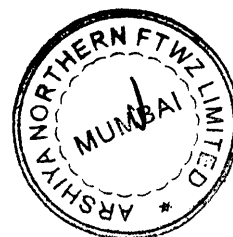
(iii) Borrowing Costs

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) Depreciation on tangible fixed assets is provided on straight line method at the rates and manner in accordance with Schedule II to the Companies Act, 2013.

(2)



Arshiya Northern FTWZ Limited

Notes to the financial statements for the year ended 31st March, 2016

- (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.

(v) Leases

(a) Finance lease

Assets acquired under finance lease are capitalized and the corresponding lease liability is recognized 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 recognized 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.

(vi) Investments

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.

(vii) 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 value added services and other activities is recognized based on completion of agreed contracted services.
- (c) Export incentive in the nature of "Duty Entitlement Pass Book" (DEPB) has been recognised on the basis of credits afforded in the pass book/amount received.
- (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.

(viii) Employee benefits

Employee benefits include schemes such as provident fund, gratuity and leave encashment entitlements.

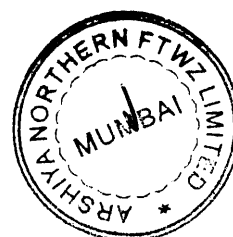
Defined Contribution Plan

Contributions to defined contribution scheme such as provident fund are charged to the Statement of Profit and Loss, as and when accrued.

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.

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Arshiya Northern FTWZ Limited

Notes to the financial statements for the year ended 31st March, 2016

(ix) 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 differences are recognised in the Statement of Profit and Loss.

(x) 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 recognized, 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 recognized 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 recognized 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.

(xi) Impairment

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 Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xii) 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 obligations that 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 recognized or disclosed in the financial statements.

(xiii) 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.

(xiv) Cash Flow Statement

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

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

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Arshiya Northern FTWZ Limited

Notes to the financial statements for the year ended 31st March, 2016

4 Share Capital

Amount in Rupees

Particulars	As at	As at
	31st March 2016	31st March 2015
Authorised 2,50,00,000 (2,50,00,000) equity shares of Rs 10/- each	25,00,00,000	10,00,00,000
Issued, subscribed and fully paid 95,50,626 (95,50,626) equity shares of Rs 10/- each	9,55,06,260	9,55,06,260
Total	9,55,06,260	9,55,06,260

(a) Terms/rights attached to the Equity Shares

The Company has one class of equity share having a par value of Rs 10/- 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 shares outstanding as at the beginning and end of the year

Equity Shares

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	Amount in Rupees	Number	Amount in Rupees
Balance as at the beginning of the year	95,50,626	9,55,06,260	95,50,626	9,55,06,260
Balance as at the end of the year	95,50,626	9,55,06,260	95,50,626	9,55,06,260

(c) Shares held by the Holding Company

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	Amount in Rupees	Number	Amount in Rupees
Arshiya Limited *	95,50,626	9,55,06,260	95,50,626	9,55,06,260
Total	95,50,626	9,55,06,260	95,50,626	9,55,06,260

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	% of holding	Number	% of holding
Equity Share of Rs 10/- fully paid up Arshiya Limited *	95,50,626	100.00	95,50,626	100.00
Total	95,50,626	100.00	95,50,626	100.00

* Notes :-

(i) Shares held by the Holding Company include 200 shares fully paid up, held through declaration of beneficial interest as per section 89 of the Companies Act, 2013.

(ii) As per records of the Company, including its register of shareholders/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

5 Reserves and Surplus

Amount in Rupees

Particulars	As at Year	As at Year
	31st March 2016	31st March 2015
Securities Premium Reserve Balance as at the beginning and at the end of the year	3,04,70,51,500	3,04,70,51,500
Revaluation Reserve Balance as at the beginning of the year Less: Adjustment on Account of land sold during the year Balance at the end of the year	2,02,37,38,932 34,66,176 2,02,02,72,756	2,02,37,38,932 - 2,02,37,38,932
Surplus/(Deficit) in Statement of Profit and Loss Balance as at the beginning of the year Less: Adjustment for Depreciation Loss for the year Balance as at the end of the year	(1,26,99,89,333) - (61,49,42,809) (1,88,49,32,142)	(68,25,18,339) (6,50,404) (58,68,20,590) (1,26,99,89,333)
Total	3,18,23,92,114	3,80,08,01,099



Arshiya Northern FTWZ Limited

Notes to the financial statements for the year ended 31st March, 2016

6 Long Term Borrowings

Particulars	Amount in Rupees			
	Non-Current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Secured Loans*: (Refer Note no. 33)				
Term Loans (Refer Note (a) below)				
From Banks	-	2,12,30,92,737	1,55,30,17,175	2,14,45,381
From Others	14,51,72,638	37,49,77,154	81,51,13,107	37,87,648
	14,51,72,638	2,49,80,69,891	2,36,81,30,282	2,52,33,029
Unsecured Loans: (Refer Note (b) below)				
From Holding Company	40,80,57,442	33,38,19,845	-	-
From Fellow Subsidiary	14,87,45,895	3,36,77,354	-	-
	55,68,03,337	36,74,97,199	-	-
Less: Amount disclosed under the head "other current liabilities" (Refer Note No. 11)*			(2,36,81,30,282)	(2,52,33,029)
Total	70,19,75,975	2,86,55,67,090	-	-

* During the year Secured CDR Lenders has exited from CDR package and as per letter dated 31st July, 2015 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 and hence Funded Interest Term Loan (FITL) created during the tenure of CDR is transferred to Interest Accrued and due (Refer Note No 11).

The Term loans are secured as under :-

(a) (i) Securities provided

- First Pari Passu charge on fixed assets of the Company - both present and future
- First Pari Passu charge/assignment/security interest on the Company's rights under the project documents, contracts (including guarantees) and all licenses, permits, approvals, consents and insurance policies.
- Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance under any project agreement or contract in favour of the Company.
- Second charge on current assets.
- Personal guarantee of two Directors of the Company, being Promoters of the Holding Company.
- Pledge of 4,052,778 Equity Shares of the Company held by the Holding Company.
- Corporate Guarantee of the Holding Company.

(ii) Rate of Interest is 12% p.a. upto 31.03.2017 and 13% p.a thereafter.

(iii) Repayment Schedule of Secured Loans is as follows :-

Financial year	Amount in Rupees		
	Term Loans from Banks	Term Loans from Others	Total
2012-2013	7,76,91,794	3,86,11,126	11,63,02,920
2013-2014	18,09,53,551	11,30,46,449	29,40,00,000
2014-2015	21,56,67,089	13,47,32,911	35,04,00,000
2015-2016	23,31,46,956	14,56,53,044	37,88,00,000
2016-2017	25,03,80,628	15,64,19,372	40,68,00,000
2017-2018	26,78,60,495	16,73,39,505	43,52,00,000
2018-2019	21,59,13,285	13,48,86,715	35,08,00,000
2019-2020	11,14,03,377	6,95,96,623	18,10,00,000
Total	1,55,30,17,175	96,02,85,745	2,51,33,02,920

(iv) Details of continuing default in repayment of Principal amount of Term Loan as on 31st March, 2016 is as follows:-

Financial year	Amount in Rupees		
	Term Loans from Banks	Term Loans from Others	Total
2012-2013	7,76,91,794	3,86,11,126	11,63,02,920
2013-2014	18,09,53,551	11,30,46,449	29,40,00,000
2014-2015	21,56,67,089	13,47,32,911	35,04,00,000
Jun-15	5,82,86,739	3,64,13,261	9,47,00,000
Jul-15	1,02,04,18,002	38,85,86,739	1,40,90,04,741
Sep-15	-	1,42,17,010	1,42,17,010
Dec-15	-	1,42,17,010	1,42,17,010
Mar-16	-	1,42,17,010	1,42,17,010
Total	1,55,30,17,175	75,40,41,516	2,30,70,58,691

(b) Loan from Holding Company and a Fellow Subsidiary

Interest free loan repayable after 12 months but before 5 years.

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Arshiya Northern FTWZ Limited

Notes to the financial statements for the year ended 31st March, 2016

7 Other Long Term Liabilities

Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
Security Deposits	6,82,500	9,92,500
Total	6,82,500	9,92,500

8 Provisions

Particulars	Amount in Rupees			
	Non Current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Employee benefits (Refer Note No 23)				
Gratuity	4,28,503	3,13,283	-	-
Leave Encashment	2,68,526	2,59,050	51,733	50,677
Total	6,97,029	5,72,333	51,733	50,677

9 Short Term Borrowings

Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
Secured:		
Cash Credit From a bank (Refer Note No 33(b))	3,07,05,157	3,10,00,000
Other	-	9,91,85,997
	3,07,05,157	13,01,85,997
Amount disclosed under the head "other current liabilities" (Refer Note No. 11)	(3,07,05,157)	-
Total	-	13,01,85,997

(a) Cash credit :

(i) Secured by:

- First Pari Passu charge on entire current assets of the Company - both present and future.
- Second Pari Passu charge on the assets charged for Term Loan /FITL on first pari passu charge to lender.
- Personal guarantee of two Directors of the Company, being Promoters of the Holding Company.
- Pledge of 4,052,778 Equity Shares of the Company held by the Holding Company.
- Corporate Guarantee of the Holding Company.

(ii) Rate of Interest on Cash Credit Loan : Base Rate + 3 % p.a.

(iii) Particulars of defaults of Principal amount as of 31.03.2016 are as under:

Particulars	Financial year	Amount (In Rupees)
Cash Credit	2014-15	3,07,05,157

10 Trade Payables

Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
Trade Payables (Refer Note No. 29 and 42)		
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,21,80,310	91,21,943
Total	1,21,80,310	91,21,943

* Includes Rs. 81,43,851/- which are outstanding for more than 1 year. The Company is of the view that these dues will be paid during 2016-17 and hence presented as "Current".

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Arshiya Northern FTWZ Limited

Notes to the financial statements for the year ended 31st March, 2016

11 Other Current Liabilities

Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
Current maturities of Long-term Secured Loans: (Refer Note No. 33)		
Term Loan		
Loans from Banks *	1,55,30,17,175	2,14,45,381
Loans from Others **	81,51,13,107	37,87,648
Cash Credit from Bank ***	3,07,05,157	-
	2,39,88,35,439	2,52,33,029
Interest accrued and due on		
Term Loans from Banks *	74,46,51,614	67,19,46,784
Term Loans from Others **	36,97,01,767	12,04,38,328
Cash Credit from Bank ***	1,09,29,376	51,03,888
Short Term loan	-	3,14,63,242
	1,12,52,82,757	82,89,52,242
Other Liabilities		
Project Creditors (Refer Note No. 29)	38,37,14,757	40,27,26,479
Provision for Expenses	28,36,734	20,54,000
Employees' Dues @	69,72,834	61,60,053
	39,35,24,325	41,09,40,532
Statutory Liabilities		
Tax Deducted at Source	53,30,385	1,43,60,281
Provident Fund	68,096	64,826
Labor Welfare fund	-	48
Works Contract Tax	13,774	13,774
Interest payable on delayed payment of Statutory dues	43,31,189	34,57,492
	97,43,444	1,78,96,421
Total	3,92,73,85,965	1,28,30,22,224

* Includes aggregating Rs.155,30,17,175 recalled by banks and interest accrued and due on the said loans is Rs.74,46,51,614.

** Includes aggregating Rs.58,60,45,483 recalled by others and interest accrued and due on the said loans is Rs. 24,92,63,439.

*** Includes aggregating Rs.3,07,05,157 Cash Credit facility recalled by banks and interest accrued on the said loans is Rs 1,09,29,376.

@ Includes Rs 40,21,399/- which are outstanding for more than 1 year. The Company is of the view that these dues will be paid during 2016-17 and hence presented as "Current".

(i) Detail of unpaid interest on term loan from Bank and others as on 31-03-2016 is as follows :-

Financial year	Amount in Rupees		
	Term Loans from Banks	Term Loans from Others	Total
F.Y. 2013-14	26,57,62,035	16,63,06,489	43,20,68,524
F.Y. 2014-15	21,96,22,094	14,06,94,776	36,03,16,870
Apr-15	2,01,04,780	76,77,593	2,77,82,373
May-15	2,09,79,843	80,11,761	2,89,91,604
Jun-15	2,05,09,998	78,32,337	2,83,42,335
Jul-15	2,14,02,698	81,73,241	2,95,75,939
Aug-15	2,16,20,830	82,56,541	2,98,77,371
Sep-15	2,11,36,630	80,71,635	2,92,08,265
Oct-15	2,20,56,604	48,96,214	2,69,52,818
Nov-15	2,15,62,646	47,86,563	2,63,49,209
Dec-15	2,25,01,161	49,94,617	2,74,95,778
Jan-16	2,27,30,489	-	2,27,30,489
Feb-16	2,14,80,724	-	2,14,80,724
Mar-16	2,31,81,082	-	2,31,81,082
Total	74,46,51,614	36,97,01,767	1,11,43,53,381

(ii) Detail of unpaid interest on Cash Credit from Bank as on 31-03-2016 is as follows :-

Financial year	Amount
Upto March 2015	55,21,828
Apr-15	4,15,442
May-15	4,34,230
Jun-15	4,25,219
Jul-15	4,44,449
Aug-15	4,49,734
Sep-15	4,40,401
Oct-15	4,60,318
Nov-15	4,50,766
Dec-15	4,71,151
Jan-16	4,76,753
Feb-16	4,51,298
Mar-16	4,87,787
Total	1,09,29,376



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Arshiva Northern FTWZ Limited
Notes to the financial statements for the year ended 31st March, 2016

12. Fixed Assets

Description of assets	Gross Block				Depreciation / Amortization		Net Block	
	As at 1st April, 2015	Additions	Deductions	As at 31st March, 2016	Upto 1st April, 2015	For the Year	As at 31st March, 2016	As at 31st March, 2015
a) Tangibles								
Freehold Land	3,25,46,99,084	1,01,81,17,802	2,99,51,784	4,24,28,65,102	-	-	4,24,28,65,102	3,25,46,99,084
Building	3,02,13,18,123	-	-	3,02,13,18,123	14,48,97,077	4,78,17,476	2,82,86,03,570	2,87,64,21,046
Plant & Equipment	40,59,18,648	-	-	40,59,18,648	6,63,36,221	2,66,26,136	31,29,56,291	33,95,82,427
Furniture and Fixtures	7,20,34,867	-	-	7,20,34,867	1,88,38,512	70,49,353	4,61,47,002	5,31,96,355
Equipments	11,12,25,072	-	-	11,12,25,072	4,13,38,739	3,13,77,789	3,85,08,544	6,98,86,333
Computers	1,77,76,073	-	-	1,77,76,073	92,25,169	25,72,495	59,78,409	85,50,904
Electrical Installation	11,06,75,694	-	-	11,06,75,694	2,19,10,832	1,18,99,469	7,68,65,393	8,87,64,862
Vehicle	8,16,052	-	-	8,16,052	3,13,820	1,06,664	3,95,568	5,02,232
Total (A)	6,99,44,63,613	1,01,81,17,802	2,99,51,784	7,98,26,29,631	30,28,60,370	12,74,49,382	7,55,23,19,879	6,69,16,03,243
Previous Year	6,99,44,63,613	-	-	6,99,44,63,613	17,44,22,998	12,84,37,373	6,69,16,03,243	-
b) Intangibles								
Softwares	12,07,40,959	-	-	12,07,40,959	7,98,43,192	2,05,05,061	2,03,92,706	4,08,97,767
Total (B)	12,07,40,959	-	-	12,07,40,959	7,98,43,192	2,05,05,061	2,03,92,706	4,08,97,767
Previous Year	12,07,40,959	-	-	12,07,40,959	4,71,10,480	3,27,32,712	4,08,97,767	-
Total (A+B)	7,11,52,04,572	1,01,81,17,802	2,99,51,784	8,10,33,70,590	38,27,03,562	14,79,54,443	7,57,27,12,585	6,73,25,01,010
Previous Year Total	7,11,52,04,572	-	-	7,11,52,04,572	22,15,33,478	16,11,68,542	6,73,25,01,010	-
Capital work-in-progress	-	-	-	-	-	-	-	1,11,66,36,527

Notes:

a. *The Board of Directors at their meeting held on 28th March, 2014, decided to revalue the Land to reflect its current Market Value and accordingly obtained valuation report thereof from an approved valuer. Based on the valuation of land and land development charges aggregating to Rs.3,254,699,084/-, the increase in the value of Land of Rs. 2,023,738,932/- over the book value of Rs. 1,230,960,152/- is credited to "Revaluation Reserve" in F.Y. 2013-14. Out of said land the Company has sold certain land of book value aggregating to Rs.2,64,85,608/- which were revalued at Rs. 2,99,51,784/- difference between book value and revalued amount of Rs. 34,66,176/- reduced from revaluation reserve (Refer Note No. 5)

b. Refer Note No. 34 relating to Component Accounting



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Arshiya Northern FTWZ Limited

Notes to the financial statements for the year ended 31st March, 2016

13 Non - Current Investment

Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
(Traded and Unquoted)		
4,78,787 (4,78,787) Equity Shares of Rs 10/- each, fully paid up of Arshiya Supply Chain Management Private Limited (Fellow Subsidiary)	11,49,08,880	11,49,08,880
Total	11,49,08,880	11,49,08,880

13.1 In the opinion of the Management, the erosion of net worth of the Investee Company is considered temporary in nature, in view of the expected developments in relation to long term Business Strategies and in-built synergies of the Company. Hence, diminution in the value of Investment is not considered necessary.

14 Loans and Advances

Particulars	Amount in Rupees			
	Non Current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
(Unsecured, Considered Good)				
Deposits	22,62,900	1,82,84,105	-	-
	22,62,900	1,82,84,105	-	-
Loan and Advances to Related Parties				
Unsecured, considered good	-	-	2,51,660	18,60,412
			2,51,660	18,60,412
Other Loans and Advances				
Prepaid expenses	-	-	1,05,437	5,80,989
Income Tax Payments (Net)	-	-	7,91,397	92,33,294
Other Advances	-	-	7,13,067	21,79,897
Indirect Taxes Receivables (Refer Note No. 35)	-	-	3,55,05,623	3,75,31,749
			3,71,15,524	4,95,25,929
Total	22,62,900	1,82,84,105	3,73,67,184	5,13,86,341

Detail of balances of Loans and Advances to Related Parties are as follows :-

Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
Arshiya Industrial & Distribution Hub Limited	2,51,660	8,50,912
Arshiya Supply Chain Management Private Limited	-	10,09,500
Total	2,51,660	18,60,412

15 Trade Receivables

Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
(Unsecured, considered good)		
Outstanding for a period *		
Exceeding Six Months from the date they were due for payment	14,21,27,574	13,67,72,582
Others	3,07,55,230	1,02,02,783
Total	17,28,82,804	14,69,75,365

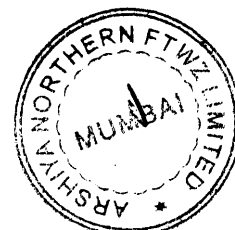
*Includes aggregating to Rs.17,23,84,330/- (P.Y. Rs.14,59,78,652/-) due from Arshiya Supply Chain Management Private Limited, a fellow subsidiary.

15.1 In the opinion of the Management, the Book Debts due from Arshiya Supply Chain Management Private Limited, a fellow subsidiary, are good for recovery in view of long term business plans and future strategies of the Company which shall eventually improve its ability to pay its debts.

16 Cash and Bank Balances

Particulars	Amount in Rupees			
	Non Current		Current	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Cash and Cash Equivalents				
Balances with Schedule banks:				
In current accounts	-	-	1,65,64,554	12,60,082
Cash on hand	-	-	-	46
			1,65,64,554	12,60,128
Other Bank Balances				
In Margin Money Deposit (Pledged against Bank Guarantees)	41,72,979	38,67,767	-	-
	41,72,979	38,67,767	-	-
Total	41,72,979	38,67,767	1,65,64,554	12,60,128

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Arshiya Northern FTWZ Limited

Notes to the financial statements for the year ended 31st March, 2016

17 Revenue From Operations		Amount in Rupees	
Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015	
Income from warehousing and handling business	3,04,22,161	2,30,10,614	
Total	3,04,22,161	2,30,10,614	
18 Other Income		Amount in Rupees	
Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015	
Interest	3,91,009	4,06,117	
Miscellaneous Income [includes exchange gain Rs 96,008/- (P.Y. Rs 19,254/-)]	18,05,987	3,60,888	
Total	21,96,996	7,67,005	
19 Cost of Operations		Amount in Rupees	
Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015	
Direct Expenses	12,37,034	18,55,217	
Total	12,37,034	18,55,217	
20 Employee Benefits		Amount in Rupees	
Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015	
Salary, Bonus & Other Allowances	1,70,90,390	1,47,45,863	
Contribution to Provident Fund and Other funds	3,85,256	2,81,474	
Staff Welfare Expenses	10,10,513	6,28,015	
Total	1,84,86,159	1,56,55,352	
21 Finance Costs		Amount in Rupees	
Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015	
Interest on Borrowings (Refer Note No 33)	33,87,45,670	39,89,77,311	
Interest on Delayed Payment of Statutory Dues	9,90,377	12,52,696	
Interest - Others	2,12,707	20,13,292	
Total	33,99,48,754	40,22,43,299	
22 Other Expenses		Amount in Rupees	
Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015	
Power & Fuel	73,85,185	97,65,652	
Rent	6,07,838	-	
Repairs and Maintenance			
- Building	32,99,032	11,02,425	
- Others	12,69,462	1,00,616	
Security expenses	98,06,791	90,83,617	
Housekeeping expenses	46,78,615	46,32,812	
Insurance	16,85,804	19,49,657	
Rates & Taxes	10,547	2,09,555	
Legal and Professional fees	40,38,376	45,74,847	
Travelling and Conveyance expenses	26,70,922	20,56,831	
Vehicle expenses	8,03,429	10,90,926	
Communication expenses	2,32,010	2,68,586	
Printing and Stationery	97,637	67,718	
Bad Debts	2,10,240	98,980	
Auditor's remuneration			
- Audit fees	5,00,000	5,00,000	
Miscellaneous expenses	15,19,330	16,33,214	
Total	3,88,15,218	3,71,35,436	

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23 Disclosure pursuant to Accounting Standard 15 (Revised - Employee Benefits)

The disclosures as required as per the revised AS 15 are as follows:

a - Brief description of the plan

The Company's defined contribution plans are provident fund where the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity. The employees of the Company are also entitled to leave encashment as per the Company's policy.

b - Defined Benefit Plan

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
I - Actuarial Assumptions:				
Discount Rate	7.55%	7.80%	7.55%	7.80%
Rate of Return on plan assets	7.55%	9.00%	-	-
Future salary rise	7.00%	7.00%	7.00%	7.00%
Attrition rate	15.00%	15.00%	15.00%	15.00%
II - Change in Defined benefit obligations:				
Liability at the Beginning of the Year	3,78,800	26,85,650	3,09,727	5,60,656
Service Cost	1,83,645	6,07,684	1,51,766	1,68,157
Interest Cost	29,546	2,49,497	17,946	52,085
Past Interest Cost (Vested and Non Vested benefits)	-	-	-	-
Liability Transferred In/(out)	-	-	-	-
Benefits Paid	-	-	(1,59,300)	-
Actuarial (Gain)/Loss	(92,500)	(31,64,031)	120	(4,71,171)
Liability at the End of the Year	4,99,491	3,78,800	3,20,259	3,09,727
III - Fair Value of Planned Assets:				
Fair Value of Planned assets at the beginning of the year	65,517	56,306	-	-
Expected Return on plan assets	5,897	4,899	-	-
Contributions	-	-	-	-
Transfer from other company	-	-	-	-
Benefits Paid	-	-	-	-
Actuarial Gain/(Loss)	(426)	4,312	-	-
Fair value of Plan assets at the end of the year	70,988	65,517	-	-
IV. Actual Return on Plan Assets:				
Expected Return on Plan Asset	5,897	4,899	-	-
Actuarial Gain / (Loss) on Plan Assets	(426)	4,312	-	-
Actual Return on Plan Assets	5,471	9,211	-	-
V. Amount Recognized in the Balance Sheet				
Liability at the end of the period	4,99,491	3,78,800	51,733	50,677
Fair Value of plan assets at the end of the year	70,988	65,517	-	-
Difference	4,28,503	3,13,283	51,733	50,677
Unrecognized past service cost	-	-	-	-
Non Current Liability at the end of the year	-	-	2,68,526	2,59,050
Liability recognized in balance sheet	4,28,503	3,13,283	3,20,259	3,09,727
VI. Percentage of each category of plan assets to total fair value of plan assets				
Insured Managed Fund	100%	100%	-	-
VII. Expenses Recognised in the Statement of Profit and Loss				
Current Service Cost	1,83,645	6,07,684	1,51,766	1,68,157
Interest Cost	29,546	2,49,497	17,946	52,085
Expected return of Plan Assets	(5,897)	(4,899)	-	-
Net Actuarial (gain)/loss to be recognized	(92,074)	(31,68,343)	120	(4,71,171)
Plan Service Cost	-	-	-	-
Expense recognized in the Statement of Profit & Loss	1,15,220	(23,16,061)	1,69,832	(2,50,929)
VIII. Balance Sheet Reconciliation				
Opening Net Liability	3,13,283	26,29,344	3,09,727	5,60,656
Expense as above	1,15,220	(23,16,061)	1,69,832	(2,50,929)
Employers Contribution	-	-	-	-
Net Transfers-In from other companies	-	-	-	-
Net Transfers-Out from other companies	-	-	-	-
Employers Contribution	-	-	(1,59,300)	-
Closing Net Liability	4,28,503	3,13,283	3,20,259	3,09,727
IX. Expected Employers contribution in the next year				
As per Actuarial Valuation report	52,907	1,000	-	-

Notes: "Contribution to provident and gratuity fund" is recognised as an expense in Note no. 20 of the Statement of Profit and Loss.

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Notes to the financial statements for the year ended 31st March, 2016

24 Disclosure pursuant to Accounting Standard 17 - Segment information

The Company is primarily engaged in the warehousing and handling business. In the opinion of the company, the entire operations are governed by same set of risk and returns and hence the same has been considered as representing the single primary segment. The Company provides services within India and it doesn't have any operation in economic environments with different risk and returns. Hence it is considered that the Company is operating in single geographical segment.

25 Disclosure pursuant to Accounting Standard 18 - Related party disclosures:

(i) Related party disclosures, as required by Accounting Standard 18 as given below:

Sr. No.	Name of Related Party	Relationship
1	Arshiya Limited	Holding Company
2	Arshiya Supply Chain Management Private Limited	Fellow Subsidiaries
3	Arshiya Industrial and Distribution Hub Limited	
4	Arshiya Rail Infrastructure Limited	
5	Mr. Ajay S. Mittal - Director	Key Managerial Personnel (KMP)
6	Mrs. Archana Mittal - Director	
7	Mr. Ranjit Ray - Director	
8	Mr. Navnit Choudhary - Director	

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

(ii) The nature and volume of transactions during the year with the above related parties were as follows:

Transactions	Amount in Rupees			
	Fellow Subsidiaries		Holding Company	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Loans Taken				
Balance as at the beginning of the year	3,36,77,354	3,36,77,354	33,38,19,846	30,41,46,300
Loans Taken during the year	12,21,73,374	-	7,43,56,510	3,50,87,508
Loans Repaid during the year	(71,04,833)	-	(1,18,913)	(54,13,962)
Balance as at the end of the year	14,87,45,895	3,36,77,354	40,80,57,443	33,38,19,846
Loans Given				
Balance as at the beginning of the year	18,60,412	-	-	-
Loans Given during the year	15,18,580	22,79,795	-	-
Loans Repaid during the year	(31,27,332)	(4,19,383)	-	-
Balance as at the end of the year	2,51,660	18,60,412	-	-
Investment in Equity Shares	11,49,08,880	11,49,08,880	-	-
Account Receivable as at the beginning of the year	14,59,69,152	10,26,30,337	-	-
Service Provided	2,42,70,975	2,04,51,630	-	-
Amount Received / Credit Notes / TDS deducted	(1,08,53,614)	(1,71,30,442)	-	-
TDS reversed	1,29,97,817	4,00,17,627	-	-
Account Receivable as at the end of the year	17,23,84,330	14,59,69,152	-	-
Corporate Guarantees / Securities Given	1,85,00,00,000	1,00,00,00,000	-	-
Corporate Guarantees / Securities Received			3,26,11,00,000	3,56,11,00,000

26 Disclosure pursuant to Accounting Standard 20 - Earnings per share

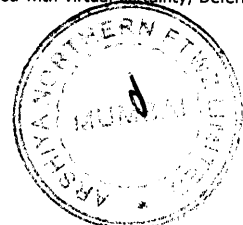
The number of shares used in computing Basic and Diluted Earnings Per Share is the weighted average number of shares outstanding during the year

Computation of Earnings Per Share (Basic and Diluted)	Amount in Rupees	
	As at 31 st March 2016	As at 31 st March 2015
Loss for the year	(61,49,42,809)	(58,68,20,590)
Weighted average number of Shares (Number)	95,50,626	95,50,626
Nominal Value per share	10	10
Earnings Per Share - Basic & Diluted	(64.39)	(61.44)

27 Disclosure pursuant to Accounting Standard 22: Accounting for Taxes on Income:

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.

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 recognized as a measure of abundant caution.



Notes to the financial statements for the year ended 31st March, 2016

28 Contingent liability not provided for in respect of:

Particulars	Amount in Rupees	
	As at 31 st March, 2016	As at 31 st March, 2015
(a) Claims Against the Company not acknowledged as Debt	8,65,70,040	11,39,52,266
(b) Right to recompense by Secured Lenders	-	44,10,00,000
(c) Guarantee given on behalf of a fellow subsidiary Outstanding balance against such guarantee is Rs 181,04,30,991 (P. Y. Rs 66,04,55,555)	1,85,00,00,000	1,00,00,00,000
Total	1,93,65,70,040	1,44,10,00,000

29 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(a) Principal amount due and remaining unpaid	-	-
(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.

30 Details of foreign currency transactions/balances not hedged by derivative instruments or otherwise are as under:

Foreign currency transactions / balances of the Company are not hedged by derivative instruments or otherwise. The details of foreign currency transactions / balances of the Company are:

Particulars	Foreign currency amount			Equivalent amount (In Rupees)	
	Currency	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Accounts receivable	USD	5,691.29	14,655.00	3,79,980.64	8,88,607.00
Accounts receivable	EURO	1,427.11	1,998.00	1,05,177.71	1,37,107.00
Project Creditors	USD	-	36,851.00	-	22,72,231.00

31 Foreign Currency Transactions

Earnings in foreign currency:

Particulars	Amount in Rupees	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Income from FTWZ operations	57,31,127	27,42,874
Total	57,31,127	27,42,874

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32 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. 38

33 Borrowings:-

(a) Loans other than assigned to Asset Reconstruction Company (ARC):

i) 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 since then. Such defaults entitle the CDR lenders to revoke the CDR Package approved by them and hence the CDR Lenders decided to exit the CDR.

ii) Further to the above, CDR-EG issued a letter dated 31st July, 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 Rs.25,85,78,370/- 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 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 Rs 25,85,78,370/-. 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.

(b) Loans Assigned to Asset Reconstruction Company (ARC):

i) Some of the Secured CDR Lenders had assigned their outstanding dues to an ARC, aggregating to Rs.132,99,87,513/- (Including Interest of Rs.36,97,01,768/-) 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 Rs.9,98,02,457/- on loans assigned to the ARC from the respective dates of their assignment.

iii) Consequent to CDR exit, the Company has not provided for additional estimated interest (from CDR cut of date till 31st March 2016) aggregating to Rs 16,40,83,119/-.

Had the Company has provided for interest on such assigned loans, the loss before tax for the year would have been higher by Rs 26,38,85,576/-.

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 b (ii) and b (iii) above in the period in which it is completed.

34 Fixed Assets and 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.

35 Indirect Taxes Receivable

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 Rs 3,55,05,623 are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds.

36 The Company has given second charge on all its assets to Capital First Limited to secure the Term Loan of Rs 185 Crores (Previous year Rs 100 Crores) granted to Arshiya Supply Chain Management Private Limited, a fellow Subsidiary. The amount outstanding of the said loan as on 31st March, 2016 is Rs 1,81,04,30,991/- (Previous Year Rs 66,04,55,555/-)

37 Invoking of Corporate Guarantee of Promoters and received notice of Possession in respect of properties mortgaged

Punjab National Bank (Bank), on behalf of certain Consortium Banks, 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 Rs 322,23,46,819/-. The bank has invoked Corporate Guarantee issued by 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 Company received a notice of possession from the authorized officer of the bank under power conferred on the bank u/s 13(4) of their said Act read with Rule 8(i) of Rules.

38 Revival Plans

The Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, Government of India under Section 7 (1) (aa), and the Office of the Commissioner of Customs, Noida Customs Commissionerate under Section 8(a) and (b) of Custom Act, 1962 has approved for the fellow subsidiary Company for setting up Inland Container Depot (ICD) at the company's premises at Village Ibrahimpur, Junaidpur, urf Maujpur, Tehsil - Khurja, District - Bulandshahr.

This will help the company to access EDI connectivity for movement of cargo to the FTWZ. Hence, the company will be able to resolve long pending issues of en-block movement of cargo/ goods.

The company has already built the required infrastructure/ facility for movement of cargo from ICD to FTWZ and vice-versa. Further, the existing rail infrastructure in another fellow subsidiary, adjacent to the ICD will ease the movement of EXIM containers and the FTWZ shall be an USP as it would create a pull for cargo requiring FTWZ specific services.



39 Details of Exceptional items (net) are as under:

Sl. No.	Exceptional Items	Amount in Rupees	
		Year Ended 31st March, 2016	Year Ended 31st March, 2015
1	Irrecoverable Advances Written Off	-	1,14,00,000
2	Fixed Assets Written Off	9,22,64,168	1,40,74,976
3	Fees for Restructuring	40,00,000	-
4	Loss on sale of Fixed assets	1,44,87,708	-
5	Sundry Balances Written Back (Net)	(96,31,518)	(3,22,84,209)
	Total	10,11,20,358	(68,09,233)

- 40 The Company is of the view that the provisions of Section 185 of the Companies Act, 2013 as regards Inter Company advances/loans/guarantees granted/received are not applicable, as the same are provided/received in the normal course of business.
- 41 Outstanding balances in respect of Trade Receivables, Loans and Advances, Trade Payables and Other liabilities other than due from/to Holding/Fellow Subsidiaries are subject to confirmations and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the accounts cannot be ascertained.
- 42 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.
- 43 As per Provisions of sub section 1 of Section 203 of Companies Act, 2013 the Company is required to appoint a Company Secretary. However, the Company has not complied with the said requirement and is in the process of identifying a suitable candidate for this role.
- 44 Previous year's figures have been regrouped/reclassified, wherever necessary to conform to those of current year presentation.

Signature to Notes forming part of Financial Statements

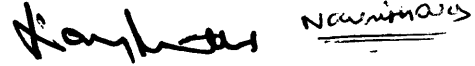
For M.A. Parikh & Co.
Chartered Accountants
Firm Registration Number 107556W



Mukul Patel
Partner
Membership No.: 032489
Place: Mumbai



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



Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Members of
ARSHIYA RAIL INFRASTRUCTURE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Arshiya Rail Infrastructure 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 significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is 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 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 judgments 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 judgment, 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 in respect of:

1. *non-provision of interest aggregating to Rs. 11,57,54,829/- on loans other than those assigned to Asset Reconstruction Company as referred to in Note no. 36(a)*
2. *non-provision of interest aggregating to Rs. 63,10,34,244/-on loans assigned to Asset Reconstruction Company as referred to in Note no. 36(b)*

The Companies 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 Rs. 74,67,89,073 would have been required to be provided. Accordingly, finance cost, loss for the year, share holder's funds and other current liabilities would have been higher by Rs. 74,67,89,073/-.

3. *non-compliance with the provisions of sub section (1) of Section 203 of the Companies Act, 2013 relating to appointment of whole-time Chief Financial Officer and whole-time Company Secretary.*

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph, the 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 Matter

1. The Company continues to be under severe financial stress as reflected in Note no. 11 to the extent as stated below:
 - (a) Creditors for capital expenditure Rs. 17,96,87,739.
 - (b) Dues to banks being recalled by respective banks aggregating to Rs. 73,48,65,952.
 - (c) Unpaid employee's dues amounting to Rs. 82,52,583/-.
 - (d) Unpaid statutory dues Rs. 5,10,32,393/- .



2. Further to above, we draw attention to Note No. 41 relating to Inter-Company loans/ guarantees granted/received.

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. 34 of the financial statements.

Report on Other Legal and Regulatory Requirements

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.

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, the 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of 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 Nos. 32 (b), 32(d) and 42;
 - ii. The company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses; and

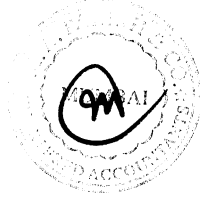


- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M. A. Parikh & Co.
Chartered Accountants
(Firm Reg. No. 107556W)



Mukul Patel
Partner
Membership No. 032489



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 Requirement of even date

- (i) (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) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has granted interest free unsecured loans to three 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 Rs. 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, investment and guarantees made. (Refer Note no. 41)
- (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 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 sub section (1) of section 148 of the Companies Act, 2013 and are of opinion that, prima facie, the prescribed basic cost records have been made and maintained. We have, however, not made detailed examination of cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, except, Tax Deducted at Source of Rs. 34,96,291/- which is outstanding as of the year-end for a period of more than six months from their due dates of payment.

(b) According to the information and explanations given to us, statutory dues aggregating to Rs. 72,22,914/- which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name Of Statute	Nature of dues	Amount	Period to which the dues relate	Forum Where dispute is pending
Maharashtra Value Added Tax Act,2002	Sales Tax	72,22,914	F Y .2008-09	Assistant Commissioner of Sales Tax.

(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 a Financial Institution, the defaults whereof are stated hereunder:

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

Period of Default	Name of Lender				
	Corporation Bank	Bank of India	Karur Vysya Bank Limited	Punjab National Bank	Syndicate Bank
FY 2012-13	52,50,000	74,50,000	22,50,000	57,72,000	45,00,000
FY 2013-14	1,75,00,000	2,50,00,000	75,00,000	200,00,000	1,50,00,000
FY 2014-15	3,15,00,000	4,50,00,000	1,35,00,000	3,60,00,000	2,70,00,000
Jun-15	96,25,000	1,37,50,000	41,25,000	1,10,00,000	82,50,000
Sep-15	96,25,000	1,37,50,000	41,25,000	1,10,00,000	82,50,000
Dec-15	96,25,000	1,37,50,000	10,26,80,905	1,10,00,000	82,50,000
Mar-16	22,98,10,000	1,37,50,000	-	1,10,00,000	82,50,000
Total	31,29,35,000	13,24,50,000	13,41,80,905	10,57,72,000	7,95,00,000



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

Period of Default	Name of Trust					
	EARC Trust SC-176	EARC Trust SC-120	EARC Trust SC-122	EARC Trust SC-128	EARC Trust SC-129	EARC Trust SC-134
FY 2013-14	2,06,00,000	4,63,12,351	1,53,55,000	1,00,88,587	50,29,506	1,41,14,556
FY 2014-15	2,70,00,000	9,00,00,000	3,15,00,000	1,80,00,000	90,00,000	3,15,00,000
Jun-15	82,50,000	2,75,00,000	96,25,000	55,00,000	27,50,000	96,25,000
Sep-15	82,50,000	2,75,00,000	96,25,000	55,00,000	27,50,000	96,25,000
Dec-15	82,50,000	2,75,00,000	96,25,000	55,00,000	27,50,000	96,25,000
Mar-16	82,50,000	2,75,00,000	96,25,000	55,00,000	27,50,000	96,25,000
Total	8,06,00,000	24,63,12,351	85,35,50,000	5,00,88,587	2,50,29,506	8,41,14,556

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

Period of Default	EARC Trust SC 120
FY 2013-14	56,54,10,600

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

Period of Default	Name of Lender				
	Corporation Bank	Bank of India	Karur Vysya Bank Limited	Punjab National Bank	Syndicate Bank
FY 2013-14	6,76,14,939	9,67,29,647	2,88,89,709	7,71,16,200	5,78,44,158
FY 2014-15	6,16,79,521	8,57,14,882	2,59,71,938	6,88,43,694	5,40,96,300
Apr-15	55,43,013	78,78,655	23,69,506	63,12,997	49,94,238
May-15	57,99,573	82,43,322	24,79,179	66,05,197	49,92,451
Jun-15	56,85,183	80,80,732	24,30,280	64,74,917	48,93,980
July-15	59,48,324	84,54,752	25,42,767	67,74,611	51,20,500
Aug-15	60,25,367	85,64,258	25,75,701	68,62,356	51,86,821
Sep-15	59,06,524	83,95,338	25,24,898	67,27,004	50,84,517
Oct-15	61,79,910	87,83,920	26,41,764	70,38,366	53,19,856
Nov-15	60,58,019	86,10,668	25,89,658	68,99,543	52,14,928
Dec-15	63,38,417	90,09,216	27,09,522	72,18,891	54,56,304
Jan-16	64,20,513	91,25,903	27,44,616	73,12,390	55,26,974
Feb-16	60,84,080	86,47,708	26,00,798	69,29,223	52,37,364
Mar-16	65,82,473	93,56,109	28,13,863	74,96,847	56,66,394
Total	20,18,65,856	28,55,95,110	8,58,84,199	22,86,12,236	17,46,34,785



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 Trust					
	EARC Trust SC-176	EARC Trust SC-120	EARC Trust SC-122	EARC Trust SC-128	EARC Trust SC-129	EARC Trust SC-134
FY 2012-13	-	2,09,35,684	-	-	-	-
FY 2013-14	5,76,00,929	17,84,01,229	6,74,36,113	3,85,91,389	1,92,04,797	6,74,45,885
FY 2014-15	5,14,19,326	16,64,49,884	6,02,19,117	3,17,87,551	1,67,63,355	6,11,30,833
Apr-15	47,15,378	-	-	-	-	-
May-15	49,33,631	-	-	-	-	-
Jun-15	48,36,321	-	-	-	-	-
July-15	50,60,172	-	-	-	-	-
Aug-15	51,25,711	-	-	-	-	-
Sep-15	50,24,613	-	-	-	-	-
Oct-15	52,56,915	-	-	-	-	-
Nov-15	51,53,488	-	-	-	-	-
Dec-15	53,92,019	-	-	-	-	-
Jan-16	51,09,742	-	-	-	-	-
Total	15,96,28,245	36,57,86,797	12,76,55,230	7,03,78,940	3,59,68,152	12,85,76,718

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

Period of Default	EARC Trust SC 120
FY 2013-14	18,85,458
FY 2014-15	6,92,37,690
Total	7,11,23,148

- (ix) According to the information and explanations given to us and based on our examination of the balance sheet and other records, we report that:
- (a) the Company did not raise any money by way of initial public offer or further public offer (including debt instruments).
- (b) the term loan availed by the company has been applied for the purpose for which it is raised.
- (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, during the year the Company has not paid/ provided 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 standards (Refer Note no. 28)
- (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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (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 Reg. No. 107556W)



MUKUL M. PATEL
Partner
Membership No. 32489



Place: Mumbai
Date: 25th May, 2016

Annexure- B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Arshiya Rail Infrastructure 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 Companies Act, 2013.

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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 expenditures 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 Institute of Chartered Accountants of India.

For M. A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W



Mukul M. Patel
Partner
Membership No. 32489



Place: Mumbai
Date: 25th May, 2016.



Arshiya Rail Infrastructure Limited
Financial Statement for the
Financial Year 2015-16

Arshiya Rail Infrastructure Limited
Balance Sheet as at 31st March, 2016

Amount in Rupees

Particulars	Notes	As at	
		31st March, 2016	31st March, 2015
I Equity and Liabilities			
1 Shareholder's Funds			
(a) Share Capital	4	40,88,91,950	40,88,91,950
(b) Reserves and Surplus	5	(95,73,11,540)	(10,66,62,627)
		(54,84,19,590)	30,22,29,323
2 Non-Current Liabilities			
(a) Long Term Borrowings	6	1,90,32,77,957	3,58,75,80,206
(b) Long Term Provisions	7	20,74,486	21,37,878
(c) Other Non-Current Liabilities	8	35,00,000	35,00,000
		1,90,88,52,443	3,59,32,18,084
3 Current Liabilities			
(a) Short Term Borrowings	9	57,29,10,600	56,54,10,600
(b) Trade Payables	10	6,47,16,976	6,74,76,650
(c) Other Current Liabilities	11	4,02,50,65,611	2,12,76,84,034
(d) Short Term Provisions	7	5,41,638	4,91,165
		4,66,32,34,825	2,76,10,62,449
Total		6,02,36,67,678	6,65,65,09,856
II Assets			
1 Non-Current Assets			
(a) Fixed assets			
i. Tangible Assets	12	5,21,75,44,524	6,06,85,10,599
ii. Intangible Assets	12	34,21,64,151	37,56,58,376
iii. Capital Work-In-Progress		-	2,07,64,914
		5,55,97,08,675	6,46,49,33,889
(b) Non Current Investment	13	-	-
(c) Long-Term Loans and Advances	14	16,14,00,448	5,77,38,843
(d) Other Non-Current Assets	17	-	32,16,979
		5,72,11,09,123	6,52,58,89,711
2 Current Assets			
(a) Inventories	15	40,11,599	41,97,644
(b) Trade Receivables	16	6,00,53,435	2,84,25,591
(c) Cash and Bank Balances	17	3,88,94,278	3,56,23,197
(d) Short-Term Loans and Advances	14	19,91,22,400	6,18,94,437
(e) Other Current Assets	18	4,76,843	4,79,276
		30,25,58,555	13,06,20,145
Total		6,02,36,67,678	6,65,65,09,856

Summary of Significant Accounting Policies 3

See accompanying notes to the financial statements 1-45

As per our report of even date
For M. A. Parikh & Co.
Chartered Accountants
 Firm Registration Number 107556W

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



Mukul Patel
 Partner
 Membership Number: 032489

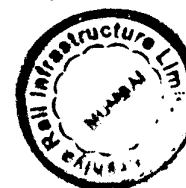


Ajay S Mittal
 Managing Director
 DIN : 00226355



Navnit Choudhary
 Director
 DIN : 00613576

Place: Mumbai
 Date: 25th May, 2016




Arshiya Rail Infrastructure Limited
Statement of Profit and Loss for the year ended 31st March 2016

Particulars	Notes	Amount in Rupees	
		Year ended 31st March, 2016	Year ended 31st March, 2015
I. Revenue:			
Revenue From Operations	19	1,97,58,54,641	2,38,23,90,187
Other Income	20	34,42,291	31,26,123
Total Revenue		1,97,92,96,932	2,38,55,16,310
II. Expenses:			
Cost of Operations	21	175,99,18,587	209,40,20,186
Employee Benefits	22	7,35,46,775	7,49,04,705
Finance Cost	23	40,91,72,890	78,57,96,870
Depreciation and Amortization	12	36,91,21,659	39,32,53,760
Other Expenses	24	4,90,19,899	7,04,22,123
Total Expenses		266,07,79,810	341,83,97,644
III. Loss Before Exceptional Item & Tax (I-II)		(68,14,82,878)	(1,03,28,81,334)
IV. Prior Period Adjustments (Net)		(8,33,317)	37,34,828
V. Exceptional Items (net)	39	15,23,80,492	43,45,222
VI Loss for the year		(83,30,30,053)	(1,04,09,61,384)
Earnings per equity share	30		
Basic and Diluted		(20.37)	(25.46)

Summary of Significant Accounting Policies 3
See accompanying notes to the financial statements 1-45

As per our report of even date
For M. A. Parikh & Co.
Chartered Accountants
 Firm Registration Number 107556W


Mukul Patel
 Partner
 Membership Number: 032489



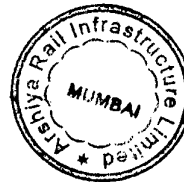
For and on behalf of the Board of Directors of
Arshiya Rail Infrastructure Limited

Ajay S Mittal
 Managing Director
 DIN : 00226355

Navnit Choudhary
 Director
 DIN : 00613576

Place: Mumbai
 Date: 25th May, 2016



Arshiya Rail Infrastructure Limited
Cash Flow Statement for the Year Ended 31st March, 2016

Amount in Rupees

Particulars	Notes	Year ended 31st March 2016	Year ended 31st March, 2015
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year		(83,30,30,053)	(1,04,09,61,384)
Adjustments for :			
Depreciation/Amortization		36,91,21,659	39,32,53,760
Interest Income		(17,12,994)	(18,71,514)
(Profit)/Loss on sale of Assets		1,08,74,220	-
Fixed Assets Written off		10,05,28,249	2,63,32,826
Loss on Transfer of Assets		2,22,72,694	-
Finance Expense		40,91,72,890	78,57,96,870
Sundry Balances Written Back (net)		(2,63,88,527)	(1,48,78,546)
Bad Debts Written off		9,58,595	-
Provision no longer required Written Back		(8,23,436)	-
Irrecoverable Advance Written off		36,00,000	-
Settlement of Claims		4,31,93,275	2,39,04,574
Fees for Debt Restructuring		30,00,000	-
Recovery of expenses provided in Earlier Years		(38,75,982)	-
Interest on delayed payment of TDS Written Back		-	(99,22,277)
Written back of Accrued Interest of Secured Creditors		-	(2,10,91,355)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		9,68,90,590	14,05,62,955
Movement in working capital			
Increase/(decrease) in Trade and Others Payables		(22,10,75,727)	(1,48,33,639)
(Increase)/decrease in Trade and Others Receivable		(19,40,98,499)	(2,81,71,457)
CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		(31,82,83,636)	9,75,57,859
Taxes Paid - (net)		20,74,637	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(A)	(31,62,08,999)	9,75,57,859
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(1,20,94,349)	(81,00,000)
Proceeds from Sale / Transfer of Fixed Assets		27,22,26,118	-
Investment of Fixed Deposit in form of Margin Money		-	(7,16,979)
Interest Income		17,12,994	18,71,514
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	(B)	26,18,44,763	(69,45,465)
CASH FLOW FROM FINANCING ACTIVITIES			
Long Term Borrowings (net)		5,34,13,097	15,83,66,586
Short Term Borrowings (net)		75,00,000	(1,12,31,723)
Interest Paid		(32,77,779)	(20,93,91,753)
NET CASH FLOW FROM FINANCING ACTIVITIES	(C)	5,76,35,318	(6,22,56,890)
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C)	32,71,081	2,83,55,504
Cash and cash equivalents at the beginning of the year		1,99,68,613	72,67,693
Earmarked Balances with banks		1,56,54,584	-
Cash and bank balances at the end of the year		3,88,94,278	3,56,23,197
Cash and cash equivalents at the end of the year		1,86,51,776	1,99,68,613
Earmarked Balances with banks*		2,02,42,502	1,56,54,584
Cash and bank balances at the end of the year		3,88,94,278	3,56,23,197

*Note:- Earmarked Balances with Banks includes Margin Money Deposits
As per our report of even date

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

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

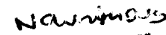


Mukul Patel
Partner
Membership Number: 032489





Ajay S Mittal
Managing Director
DIN : 00226355



Navnit Choudhary
Director
DIN : 00613576

Place: Mumbai
Date: 25th May, 2016



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2016

1. Corporate Information

Arshiya Rail Infrastructure Limited (ARIL) is a subsidiary of Arshiya Limited (AL), a company listed on Bombay Stock Exchange and National Stock Exchange. In April 2008, AL acquired a license to operate a pan-India rail service, giving rise to ARIL. ARIL is a specialized entity of AL, offering unprecedented rail infrastructure, including an abundance of modern rakes, customized containers, new sidings, pan-India network, and superior connectivity. The company is engaged in container train business and holding Category -I license which allows the company to operate on Indian rail network on pan India basis both Domestic and Exim Traffic. Arshiya Rail's unique offerings provide unparalleled efficiencies with capability of large scale evacuation of cargo from Ports, Domestic Distriparks, Free Trade and Warehousing Zones and Customer Sidings.

2. 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 with mandatory 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).

These accounts are prepared by applying the "Going Concern" assumption based on future business plans as referred in Note No. 34.

3. Summary of Significant Accounting Policies:

(i) 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.

(ii) Fixed Assets

(a) Tangible Fixed Assets

Fixed assets are stated at original cost of acquisition/installation (net of cenvat credit availed, if any) less accumulated depreciation and impairment losses, if any, except land which is carried at cost. All costs including borrowing cost incurred during pre-operational period till the commencement of commercial operations are capitalized. Land is carried at its revalued amount being the estimated market value on the date of revaluation.

(b) Intangible Fixed Assets

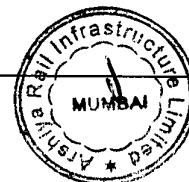
Intangible assets are carried at cost less accumulated amortization. The capitalised cost of software includes license fees, cost of implementation and system integration services. These costs are capitalised as intangible assets in the year in which related software is implemented.

(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.



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2016

(iv) Depreciation and Amortization

(a) Tangible Assets

Depreciation on all Tangible Assets is provided on the Straight Line Method in accordance with Schedule II to the Companies Act, 2013 (Refer Note no 37).

(b) Intangible Assets

- (i) 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.
- (ii) Software (intangible asset other than (iii) 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.
- (iii) 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.

(v) Leases

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.

(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.

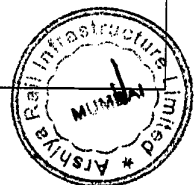
(vii) Inventory

Inventories are valued at cost or net realizable value, whichever is less.

(viii) Revenue Recognition:

- a) Revenue from rail and ancillary operations are accounted on the basis of delivery of cargo, considering substantial completion of contracted services. While recognizing the revenue, 7th of the following month is taken as cutoff date for determining the delivery of cargo vis-à-vis completion of contracted services
- b) Revenue from Handling and allied services is recognized on the basis of loading/unloading of container/cargo, considering the same as substantial completion of contracted services.

QA



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2016

- c) Interest and Other Income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted on receipt basis.

(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 the Companies Act, 2013 ('Act') read with the Rule 7 of the Companies (Accounts) Rules, 2014.

(x) 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 such deferred tax asset can be realized.
- 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.

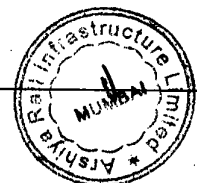
(xi) Impairment

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.

(xii) 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.

QA



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2016

(b) Contingent Liabilities are disclosed in respect of possible obligations that 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.

(xiii) 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.

(xiv) 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.

(xv) Accounting policies not specifically referred to herein are in conformity with the generally accepted accounting principles followed by the Company.



Arshiya Rail Infrastructure Limited
Notes to financial statements for the year ended 31st March, 2016

4. Share Capital

Particulars	Amount in Rupees	
	As at 31st March, 2016	As at 31st March, 2015
Authorised 4,50,00,000 (4,50,00,000) equity shares of Rs. 10/- each	45,00,00,000	45,00,00,000
Issued, Subscribed and fully paid 4,08,89,195 (4,08,89,195) equity shares of Rs. 10/- each	40,88,91,950	40,88,91,950
Total	40,88,91,950	40,88,91,950

(a) Terms and rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs .10/- 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

Equity Shares

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	Amount in Rupees	Number	Amount in Rupees
Balance as at the beginning of the year	4,08,89,195	40,88,91,950	4,08,89,195	40,88,91,950
Balance as at the end of the year	4,08,89,195	40,88,91,950	4,08,89,195	40,88,91,950

(c) Shares held by the Holding/Fellow Subsidiary

Particulars	(No. of Shares)	
	As at 31st March, 2016	As at 31st March, 2015
Arshiya Limited (Holding Company)*	3,87,32,491	3,87,32,491
Arshiya Hongkong Limited (Fellow Subsidiary)	21,56,704	21,56,704
Total	4,08,89,195	4,08,89,195

(d) Details of Shareholders holding more than 5 % of the aggregate shares in the company

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	% of holding	Number	% of holding
Equity Share of Rs 10/- fully paid up				
Arshiya Limited (Holding Company)*	3,87,32,491	94.73	3,87,32,491	94.73
Arshiya Hongkong Limited (Fellow Subsidiary)	21,56,704	5.27	21,56,704	5.27
Total	4,08,89,195	100.00	4,08,89,195	100.00

* Notes :-

a) Shares held by the Holding Company include 200 shares fully paid up, held through declaration of beneficial interest as per section 89 of the Companies Act, 2013.

b) As per the Records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

5. Reserves and Surplus

Particulars	Amount in Rupees	
	As at 31st March, 2016	As at 31st March, 2015
Securities Premium Reserve		
Balance as at the beginning and at the end of the year	2,36,03,48,442	2,36,03,48,442
Revaluation Reserve		
Balance as at the beginning of the year	98,10,78,791	98,10,78,791
Less: Adjustments	1,76,18,860	-
Balance as at the end of the year	96,34,59,931	98,10,78,791
Surplus/(Deficit) in Statement of Profit and Loss		
Balance as at the beginning of the year	(3,44,80,89,860)	(2,40,62,06,526)
Less: Adjustment on account of Depreciation	-	(9,21,950)
Add: Loss for the year	(83,30,30,053)	(1,04,09,61,384)
Balance as at the end of the year	(4,28,11,19,913)	(3,44,80,89,860)
Total	(95,73,11,540)	(10,66,62,627)



Arshiya Rail Infrastructure Limited
Notes to financial statements for the year ended 31st March, 2016

6. Long Term Borrowings

Amount in Rupees

Particulars	Non Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Secured Loans* (Refer Note No.36)				
Term Loans				
From Banks	59,81,25,798	1,49,24,45,388	92,08,37,905	2,67,96,315
From Others	1,14,25,95,534	2,02,87,69,290	87,05,00,000	2,68,26,243
	1,74,07,21,332	3,52,12,14,678	1,79,13,37,905	5,36,22,558
Unsecured Loan				
Inter Corporate Loan				
From Holding Company	16,25,56,625	6,63,65,528	-	-
	16,25,56,625	6,63,65,528	-	-
Less: Amount disclosed under the head "other current liabilities" (Refer Note No. 11)			(1,79,13,37,905)	(5,36,22,558)
Total	1,90,32,77,957	3,58,75,80,206	-	-

***Note:**

During the year Secured CDR Lenders has exited from CDR package and as per letter dated 31st July, 2015 issued by CDR-EG approving the exit from CDR on account of failure of the restructuring package (Refer Note No 36). 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 (Refer Note No 11).

(a) The Term loans (from banks & others) are secured by :-

- First charge on all present and future movable assets (including rakes, containers, equipment's) and immovable properties of the company, including intangibles assets.
- Second charge by way of Hypothecation of the entire current assets including receivables of the company.
- Pledge of 100% equity shares of the Company held by Promoters.
- Irrevocable and unconditional personal guarantees from Director and a Relative of Director, being Promoters of Holding Company.
- Corporate Guarantee from Holding Company.

(b) Rate of Interest :
 - on Term loans range from 15% to 16.50% .

(c) Repayment Schedule of above Term loan as on 31st March, 2016 are as follows :-

Financial Year	Term Loans from Banks	Term Loans from Others	Total
2012-2013	2,52,22,000	-	2,52,22,000
2013-2014	8,50,00,000	11,15,00,000	19,65,00,000
2014-2015	15,30,00,000	20,70,00,000	36,00,00,000
2015-2016	18,70,00,000	25,30,00,000	44,00,00,000
2016-2017	22,10,00,000	29,90,00,000	52,00,00,000
2017-2018	26,26,50,000	35,53,50,000	61,80,00,000
2018-2019	31,62,00,000	42,78,00,000	74,40,00,000
2019-2020	26,88,91,703	35,94,45,534	62,83,37,237
Total	1,51,89,63,703	2,01,30,95,534	3,53,20,59,237

(d) Details of continuing default in repayment of Principal amount of Term Loan as on 31st March, 2016 is as follows:-

Financial Year	Term Loans from Banks	Term Loans from Others	Total
2012-2013	2,52,22,000	-	2,52,22,000
2013-2014	8,50,00,000	11,15,00,000	19,65,00,000
2014-2015	15,30,00,000	20,70,00,000	36,00,00,000
Jun-15	4,67,50,000	6,32,50,000	11,00,00,000
Sep-15	4,67,50,000	6,32,50,000	11,00,00,000
Dec-15	14,53,05,905	6,32,50,000	20,85,55,905
Mar-16	26,28,10,000	6,32,50,000	32,60,60,000
Total	76,48,37,905	57,15,00,000	1,33,63,37,905

e) Inter Corporate Loan

Interest free loan repayable after 12 months but before 5 years.



Arshiya Rail Infrastructure Limited
Notes to financial statements for the year ended 31st March, 2016

7. Provisions

Amount in Rupees

Particulars	Non-Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Provision for Leave Encashment (Refer Note No.26)	20,74,486	21,37,878	5,41,638	4,91,165
Total	20,74,486	21,37,878	5,41,638	4,91,165

8. Other Non-Current Liabilities

Amount in Rupees

Particulars	As at 31st March, 2016	As at 31st March, 2015
Security Deposit	35,00,000	35,00,000
Total	35,00,000	35,00,000

9. Short Term Borrowings

Amount in Rupees

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Loans		
From Others:		
a) Short Term Loan *	75,00,000	-
b) Working Capital Loan** (Refer Note No.36 (b))	56,54,10,600	56,54,10,600
Total	57,29,10,600	56,54,10,600

* The term and conditions relating to short term loan from others are as under:-

- i) Rate of Interest on Short Term Loan-Others: 24.00% p.a.
- ii) The repayment to be made in 12 equated monthly installments starting from 30th April 2016
- iii) Exclusive charge by way of mortgage of immovable property, i.e., land admeasuring 5.62 acres at Khurja held by the company and Holding company.
- iv) Irrevocable Power of Attorney (duly acknowledged by bank in which fixed deposit is created) to operate the account in which fixed deposit amounts shall be released by the bank after closure of bank guarantee.
- v) Exclusive Hypothecation on power packs to be acquired. Hypothecation on such power pack to be filed with ROC. Insurance of the power packs to be taken favoring EARC as beneficiary.
- vi. Pledge of 100% unencumbered equity shares of the company held by Holding Company and Arshiya Hong Kong.
- vii. Pledge of 100% unencumbered equity shares of the company held by Arshiya Industrial and Distribution Hub limited belonging to holding company and Cyber log Technology(UAE) FZE.
- viii. Pledge of 100% unencumbered equity shares of Arshiya Ltd. belonging to Mr. Ajay Mittal and Ms. Archana Mittal.
- ix. Personal Guarantee of Mr. Ajay Mittal and Ms. Archana Mittal.
- x. Corporate Guarantee of Arshiya Limited (Holding Company) and Arshiya Industrial & Distribution Hub Limited.
- xi. Priority charge & Escrow on entire cash flows of the Company arising out of scheduled movement of all trains between Khurja ICD and the ports, including cash flows from Allana Sons. written agreement with Allana Sons to transfer all payments to designated Escrow against for all bills raised by company and Arshiya Industrial & Distribution Hub Limited.
- xii. Cash flow tagging of Escrow mentioned above for creation of reserve account which shall be utilized for payment of EMI for this Loan.
- xiii. Post dated cheques by Mr. Ajay Mittal and Mrs. Archana Mittal for the loan amount.
- xiiii. Other terms and conditions as per term sheet dated 18th November, 2015.

** The term and conditions relating to Working Capital Loan from others are as under:-

- i. First charge by way of Hypothecation of the entire current assets including receivables of the company.
- ii. Second mortgage and charge on all present and future movable assets (including rakes, containers, equipment's) and immovable assets of the company, including intangibles assets.



Arshiya Rail Infrastructure Limited
Notes to financial statements for the year ended 31st March, 2016

- iii. 100% equity shares of the Company held by Holding Company and Arshiya Honkong Limited.
iv. Irrevocable and unconditional personal guarantees from Director and a Relative of Director, being Promoters of Holding Company.
v. Corporate Guarantee from Holding Company.
c) Rate of Interest on Cash Credit Loan : 14.00% p.a.
d) The amount of other short term borrowings amounting to Rs. 56,54,10,599.60 as on 31st March, 2016 is overdue.

10. Trade Payables

Particulars	Amount in Rupees	
	As at 31st March, 2016	As at 31st March, 2015
Trade Payables (Refer Note No. 33 & 42)		
Total outstanding dues of creditors other than micro enterprises and small enterprises*	6,47,16,976	6,74,76,650
Total	6,47,16,976	6,74,76,650

*Includes Rs. 41,18,777/- which are outstanding for more than 1 year. The Company is of the view that these dues will be paid during 2016-17 and hence presented as "Current".

11. Other Current Liabilities

Particulars	Amount in Rupees	
	As at 31st March, 2016	As at 31st March, 2015
Current Maturities of Long Term Borrowings		
Term Loans		
From Banks *	92,08,37,905	2,67,96,315
From Others	87,05,00,000	2,68,26,244
	1,79,13,37,905	5,36,22,559
Interest Accrued and due:		
On Term Loans from Banks**	97,65,92,185	73,35,21,245
On Term Loans from Others	88,79,94,082	72,96,64,379
On Short Term Loan from Others	7,11,23,147	7,11,23,147
	1,93,57,09,414	1,53,43,08,771
Statutory Liabilities		
Tax Deducted at Source		
Service Tax	63,23,774	96,48,211
Provident Fund	4,44,51,238	-
Work Contract Tax	2,51,581	2,42,022
Employee Professional Tax	-	12,31,673
Interest on delayed payment of Statutory Dues	5,800	5,800
	45,32,415	79,58,410
Other Current Liabilities		
Advance received from Customers		
Project Creditors	64,17,438	48,13,904
Provision for Expenses	17,96,87,739	46,89,05,892
Security Deposit received	3,81,37,864	3,11,47,815
Employee's Dues***	-	20,000
	1,82,10,443	1,57,78,977
Total	4,02,50,65,611	2,12,76,84,034

* Includes aggregating Rs 44,71,15,905/- loan recalled by banks

** Includes aggregating Rs 28,77,50,047/- interest accrued and due on loan recalled by banks

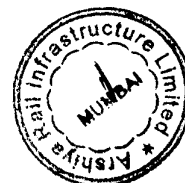
***Includes Rs. 60,31,124/- which are outstanding for more than 1 year. The Company is of the view that these dues will be paid during 2016-17 and hence presented as "Current".

(a) Detail of Unpaid Interest on Term Loans as on 31-03-2016 are as follows:

Financial Year	Amount in Rupees		
	Term Loans from banks	Term Loans from others	Total
FY 2012-13	-	2,09,35,684	2,09,35,684
FY 2013-14	32,81,94,653	42,86,80,342	75,68,74,995
FY 2014-15	29,63,06,336	38,77,70,066	68,40,76,402
Apr-15	2,70,98,409	47,15,378	3,18,13,787
May-15	2,81,19,723	49,33,631	3,30,53,354
Jun-15	2,75,65,095	48,36,321	3,24,01,416
Jul-15	2,88,40,956	50,60,172	3,39,01,128
Aug-15	2,92,14,505	51,25,712	3,43,40,217
Sep-15	2,86,38,284	50,24,613	3,36,62,897
Oct-15	2,99,63,816	52,56,915	3,52,20,731
Nov-15	2,93,72,816	51,53,488	3,45,26,304
Dec-15	3,07,32,350	53,92,019	3,61,24,369
Jan-16	3,11,30,396	51,09,741	3,62,40,137
Feb-16	2,94,99,173	-	2,94,99,173
Mar-16	3,19,15,674	-	3,19,15,674
Total	97,65,92,186	88,79,94,082	1,86,45,86,268

(b) Detail of Unpaid Interest on Short Term Loan from Others as on 31-03-2016 are as follows:

Financial Year	Amount
	Amount
FY 2013-14	18,85,458
FY 2014-15	6,92,37,690
Total	7,11,23,148



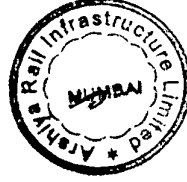
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12. Fixed Assets

Description of assets	Gross Block				Depreciation/Amortization		Amount in Rupees	
	As at 1st April, 2015	Additions	Deductions/Adjustment	As at 31st March, 2016	For the Year	Deductions/Adjustment	As at 31st March, 2016	As at 31st March, 2015
a) Tangibles								
Freehold Land	1,73,73,07,634	86,19,187	23,20,41,644	1,51,38,85,177	-	-	1,51,38,85,177	1,73,73,07,634
Building	4,45,09,854	-	-	4,45,09,854	7,06,221	-	4,21,80,627	4,28,86,848
Plant & Equipment*	3,58,26,62,619	81,777	36,86,56,684	3,21,40,87,712	21,84,18,799	7,32,65,338	2,22,81,98,699	2,74,19,27,067
Railway Terminal	1,77,56,56,799	-	-	1,77,56,56,799	11,57,26,421	-	34,72,62,349	1,54,41,20,871
Computer	40,87,904	-	-	40,87,904	18,157	-	38,67,066	2,38,995
Furniture & Fixtures	22,68,657	51,250	-	23,19,907	2,14,651	-	10,73,590	12,36,991
Vehicles	20,09,348	33,42,135	-	53,51,483	5,43,185	-	17,60,340	7,92,193
Total	7,14,85,02,815	1,20,94,349	60,06,98,328	6,55,98,98,836	33,56,27,434	7,32,65,338	1,34,23,54,312	6,06,85,10,599
Previous Year	7,16,95,35,031	81,00,000	2,91,32,216	7,14,85,02,815	35,97,91,077	21,04,122	1,07,92,96,364	6,44,75,33,936
b) Intangibles								
Rail License Fees	50,00,00,000	-	-	50,00,00,000	2,50,00,000	-	17,91,66,666	34,58,33,334
Computer Software	4,06,79,407	-	-	4,06,79,407	84,94,225	-	1,93,48,590	2,98,25,042
Total	54,06,79,407	-	-	54,06,79,407	3,34,94,225	-	19,85,15,256	37,56,58,376
Previous Year	54,06,79,407	-	-	54,06,79,407	3,34,62,683	-	16,50,21,031	40,91,21,059
Total	7,68,91,82,222	1,20,94,349	60,06,98,328	7,10,05,78,243	36,91,21,659	7,32,65,338	1,54,08,69,568	6,44,41,68,975
Previous Year Total	7,71,02,14,438	81,00,000	2,91,32,216	7,68,91,82,222	39,32,53,760	21,04,122	1,24,43,17,395	6,44,41,68,975
Capital work-in-progress	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	2,07,64,914

* Note:-

- a. *Plant & Equipment includes Rs 25,80,60,866/- which denotes adjustment of original cost with the vendor as per Memorandum of Understanding dated 10th April, 2015.
 b. Refer Note No. 37 relating to Component Accounting



Arshiya Rail Infrastructure Limited
Notes to financial statements for the year ended 31st March, 2016

13. Non Current Investment

Amount in Rupees

Particulars	As at	As at
	31st March, 2016	31st March, 2015
(Trade and Unquoted)		
50,000 (50,000) Equity Shares of Arshiya Rail Siding Infrastructure Limited of Rs. 10 each, fully paid up*	5,00,000	5,00,000
Less: Provision for Diminution in Value of Investments	5,00,000	5,00,000
Total	-	-

Note: * Arshiya Rail Siding Infrastructure Limited is 100 % subsidiary of Arshiya Rail Infrastructure Limited (Refer Note No. 40)

14. Loans and Advances

Amount in Rupees

Particulars	Non Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Capital Advances				
Unsecured, Considered Good	9,60,22,040	34,22,142	-	-
	9,60,22,040	34,22,142	-	-
Security Deposits				
Unsecured, Considered Good	67,48,142	1,04,30,142	2,63,560	3,97,370
	67,48,142	1,04,30,142	2,63,560	3,97,370
Loan and Advances to Related Parties				
Unsecured, considered good	-	-	19,43,38,092	5,24,47,785
	-	-	19,43,38,092	5,24,47,785
Trade Advance to Suppliers				
Unsecured, considered good	-	-	19,17,053	6,68,730
	-	-	19,17,053	6,68,730
Other Loans and advances				
Income Tax Payments (net)	5,86,30,266	4,18,34,894	-	-
Other Advances (Refer Note No 38)	-	-	7,01,099	24,51,934
Advance to Employees	-	-	11,09,051	52,03,534
Prepaid Expenses	-	-	7,93,545	7,25,084
Service Tax Input Credit	-	20,51,665	-	-
	5,86,30,266	4,38,86,559	26,03,695	83,80,552
Total	16,14,00,448	5,77,38,843	19,91,22,400	6,18,94,437

Details of balances of Loans and Advances to Related Parties are as follows :-

Amount in Rupees

Particulars	As at	As at
	31st March, 2016	31st March, 2015
Arshiya Industrial & Distribution Hub Limited	4,55,10,217	1,87,44,783
Arshiya Rail Sidings Infrastructure Limited	81,980	25,648
Arshiya Northern FTWZ Limited	14,87,45,895	3,36,77,354
Total	19,43,38,092	5,24,47,785

15. Inventories

Amount in Rupees

Particulars	As at	As at
	31st March, 2016	31st March, 2015
Stores and Spares	40,11,599	41,97,644
Total	40,11,599	41,97,644

16. Trade Receivables

Amount in Rupees

Particulars	As at	As at
	31st March, 2016	31st March, 2015
(Unsecured, considered good)		
Outstanding for a period		
- exceeding six months from the date they became payable	3,70,706	1,60,572
- others	5,96,82,729	2,82,65,019
Total	6,00,53,435	2,84,25,591



Arshiva Rail Infrastructure Limited
Notes to financial statements for the year ended 31st March, 2016

17. Cash and Bank Balances

Amount in Rupees

Particulars	Non Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Cash and Cash Equivalents				
Balance with Scheduled banks				
In Current Accounts	-	-	1,86,25,480	1,79,65,712
Cash on Hand (As Certified by the Management)	-	-	26,296	20,02,901
	-	-	1,86,51,776	1,99,68,613
Other Bank Balances				
In Margin Money Deposit (Pledged against Bank Guarantees/Letter of Credit)		32,16,979	2,02,42,502	1,56,54,584
	-	32,16,979	2,02,42,502	1,56,54,584
Total	-	32,16,979	3,88,94,278	3,56,23,197

18. Other Current Assets

Amount in Rupees

Particulars	As at	As at
	31st March, 2016	31st March, 2015
Interest Accrued on Fixed Deposit	4,76,843	4,79,276
Total	4,76,843	4,79,276



Arshiya Rail Infrastructure Limited
Notes to financial statements for the year ended 31st March, 2016
19. Revenue from Operations

Particulars	Amount in Rupees	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Rail & Allied Services Income	1,97,58,54,641	2,38,23,90,187
Total	1,97,58,54,641	2,38,23,90,187

20. Other Income

Particulars	Amount in Rupees	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Interest Received on :		
- Fixed Deposit with Banks	15,36,751	7,31,809
- Income Tax refund	1,76,243	11,39,705
Actuarial gain on gratuity fund	-	6,09,750
Miscellaneous Income	17,29,297	6,44,859
Total	34,42,291	31,26,123

21. Cost of Operations

Particulars	Amount in Rupees	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Rail & Allied Services Charges / Expenses	1,75,99,18,587	2,09,40,20,186
Total	1,75,99,18,587	2,09,40,20,186

22. Employee Benefits

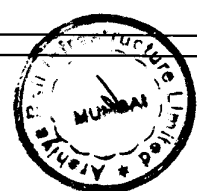
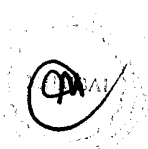
Particulars	Amount in Rupees	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Salary, Bonus & Other Allowances	6,99,13,822	7,30,14,046
Contribution to Provident Fund and Other Funds	21,65,215	13,26,119
Staff Welfare Expenses	14,67,738	5,64,540
Total	7,35,46,775	7,49,04,705

23. Finance Cost

Particulars	Amount in Rupees	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Interest on Borrowings (Refer Note No 36)	40,31,99,187	77,91,38,125
Interest on Delayed Payment of Statutory Dues	31,95,924	56,34,760
Interest - Others	27,77,779	10,23,985
Total	40,91,72,890	78,57,96,870

24. Other Expenses

Particulars	Amount in Rupees	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Electricity charges	6,86,634	6,64,242
Rent	1,47,49,921	1,49,53,654
Repairs and Maintenance		
- Building	19,29,373	26,90,387
- Others	8,17,214	7,39,781
Insurance	15,07,168	20,24,700
Rates & Taxes	3,19,207	3,38,250
Legal and Professional charges	1,12,31,933	2,01,30,288
Bad Debts	9,58,595	91,42,791
Claim Recoverable Written Off	-	8,44,784
Advertisement and Business Promotion Expenses	3,51,748	9,450
Bank and Other charges	2,98,846	23,70,216
Communication expenses	16,10,961	18,64,505
Travelling and Conveyance expenses	78,14,697	77,41,426
Vehicle expenses	11,96,786	13,34,949
Printing and stationery	2,85,836	3,38,169
Security charges	38,28,444	35,49,111
Auditor's Remuneration		
- Audit fees	8,04,000	8,00,000
- Other Services	-	23,500
- Reimbursement of expenses	25,000	14,500
Miscellaneous expenses	6,03,536	8,47,420
Total	4,90,19,899	7,04,22,123



Notes to the financial statements

25 Capital Commitments

Particulars	At 31	At 31
	31st March 2016	31st March 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid)	6,24,80,161	4,00,97,641
Total	6,24,80,161	4,00,97,641

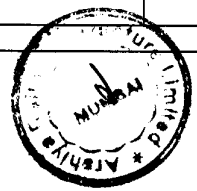
26 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits

a - Brief descriptions of the plans

The Company's defined contribution plans are Provident Fund 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

Particulars	Amount in Rupees			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	At 31 March 2016	At 31 March 2015	At 31 March 2016	At 31 March 2015
I - Actuarial Assumptions:				
Discount Rate	7.55%	7.80%	7.55%	7.80%
Rate of Return on plan assets	7.55%	9.00%	0.00%	0.00%
Future salary rise	7.00%	7.00%	7.00%	7.00%
Attrition rate	15.00%	15.00%	15.00%	15.00%
II - Change in Defined benefit obligations:				
Liability at the Beginning of the Year	34,94,433	35,66,916	26,29,703	30,75,862
Service Cost	9,36,870	11,25,294	7,81,251	8,48,498
Interest Cost	2,64,218	3,16,360	1,72,874	2,85,748
Past Interest Cost (Vested and Non Vested benefits)	Nil	Nil	Nil	Nil
Liability Transferred In/(out)	Nil	Nil	Nil	Nil
Benefits Paid	(2,14,038)	(3,23,077)	(8,25,485)	-
Actuarial (Gain)/Loss	(2,62,540)	(11,91,060)	(1,41,589)	(15,81,035)
Liability at the End of the Year	42,18,943	34,94,433	26,16,754	26,29,073
III - Fair Value of Planned Assets:				
Fair Value of Planned assets at the beginning of the year	39,31,258	28,08,991	-	-
Expected Return on plan assets	3,53,813	2,30,328	-	-
Contributions	Nil	Nil	Nil	Nil
Transfer from other company	Nil	Nil	Nil	Nil
Actual Enterprise's Contributions	2,14,038	-	-	-
Benefits Paid	(2,14,038)	(3,23,077)	-	-
Actuarial (Gain)/Loss	(10,489)	12,15,016	-	-
Fair value of Plan assets at the end of the year	42,74,582	39,31,258	-	-
IV. Actual Return on Plan Assets				
Expected Return on Plan Asset	3,53,813	2,30,328	-	-
Actuarial Gain / (Loss) on Plan Assets	(10,489)	12,15,016	-	-
Actual Return on Plan Assets	3,43,324	14,45,344	-	-
V. Amount Recognized in the Balance Sheet				
Liability at the end of the period	42,18,943	34,94,433	5,41,638	4,91,196
Fair Value of plan assets at the end of the year	42,74,582	39,31,258	-	-
Unrecognized past service cost	Nil	Nil	Nil	Nil
Non Current Liability at the end of the year	-	-	20,74,486	21,37,877
Liability recognized in balance sheet	(55,639)	(4,36,825)	26,16,124	26,29,073
VI. Percentage of each category of plan assets to total fair value of plan assets				
Insured Managed Fund	100%	100%		



VII. Expenses Recognized in the Statement of Profit and Loss				
Current Service Cost				
Interest Cost	9,36,870	11,25,294	7,81,251	8,48,498
Expected return of Plan Assets	2,64,218	3,16,360	1,72,874	2,85,748
Net Actuarial (gain)/loss to be recognized	(3,53,813)	(2,30,328)	-	-
Plan Service Cost	(2,52,051)	(24,06,076)	(1,41,589)	(15,81,035)
Expense recognised in the Statement of Profit & Loss	Nil	Nil	Nil	Nil
	5,95,224	(11,94,750)	8,12,536	(4,46,789)
VIII. Balance Sheet Reconciliation				
Opening Net Liability	(4,36,825)	7,57,925	26,29,073	30,75,862
Expense as above	5,95,224	(11,94,750)	8,12,536	(4,46,789)
Employers Contribution	(2,14,038)	-	(8,25,485)	-
Net Transfers-In from other companies		Nil	Nil	Nil
Net Transfers-Out from other companies		Nil	Nil	Nil
Closing Net Liability	55,639	4,36,825	26,16,124	26,29,073
IX. Expected Employers contribution in the next year				
As per Actuarial Valuation report	4,49,337	2,89,782	-	-

Note:

"Contribution to provident and gratuity fund" is recognised as an expense in Note no. 22 of the Statement of Profit and Loss.

27 Disclosure pursuant to Accounting Standard 17 - Segment information

The company is primarily engaged in the business of developing, operating and maintaining infrastructure facilities - Rail System, which consist of Pan India Rail Freight and allied Operations. In the opinion of the company, the entire operations are governed by same set of risk and returns and hence the same has been considered as representing the single primary segment.

The company provides services within India and hence does not have any operation in economic environments with different risk and returns. Hence, it is considered that the company is operating in single geographical segment.

28 Disclosure pursuant to Accounting Standard 18 - Related party disclosures:

- (i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:-

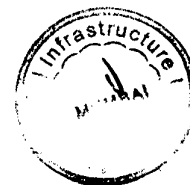
Sr. No.	Name of Related Party	Relationship
1	Arshiya Limited	Holding Company
2	Arshiya Rail Siding and Infrastructure Limited	Subsidiary
	Arshiya Supply Chain Management Private Limited	
	Arshiya Northern FTWZ Limited	Fellow Subsidiaries
	Arshiya Industrial & Distribution Hub Limited	
	Arshiya Hong Kong Limited	
3	Mr. Ajay S. Mittal - Director	Key Managerial Personnel (KMP)
	Mr. Navnit Choudhary - Director	
	Mr. Ashish Kumar Bairagra - Director	
	Mr. Rishabh Pankaj Shah - Director	
	Mr. Ranjit Ray - Chief Executive Officer	
	Ms. Savita Dalal - Company Secretary (Resigned on 10th July, 2015)	

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.

- (ii) Summary of significant related party transactions (as identified by the management) carried out in the ordinary course of business are as follows:

Transactions	Amount In Rupees					
	Fellow Subsidiaries		Subsidiary Company		Holding Company	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Loans Taken						
Balance as at the beginning of the year	-	-	-	-	6,63,65,527	1,93,06,416
Loans Taken during the year	-	-	-	-	11,64,93,001	8,59,79,925
Loans Repaid during the year	-	-	-	-	(2,03,01,903)	(3,89,20,814)
Issue of Equity Shares including Securities Premium	-	-	-	-	-	-
Balance as at the end of the year	-	-	-	-	16,25,56,624	6,63,65,527
Purchase of Fixed Asset						
	-	-	-	-	70,37,907	-
Loans Given						
Balance as at the beginning of the year	5,24,22,137	-	25,648	-	-	-
Loans Given during the year	14,81,82,843	5,36,37,356	56,332	25,648	-	-
Loans Repaid during the year	(63,48,868)	(12,15,219)	-	-	-	-
Issue of Equity Shares including Securities Premium	-	-	-	-	-	-
Balance as at the end of the year	19,42,56,112	5,24,22,137	81,980	25,648	-	-
Corporate Guarantee Received	-	-	-	-	7,65,48,19,332	8,33,17,41,226

CA



(iii) **Remuneration Paid:** **Amount in Rupees**

Relationship	As at 31st March 2016	As at 31st March 2015
a) Chief Executive Officer	1,12,29,744	1,05,12,239
b) Company Secretary (Resigned on 10th July, 2015)	2,29,346	6,12,242

29 Lease Disclosure under Accounting Standard-19

Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
Future Lease Payment:		
a) Not Later than one year	1,19,03,162	1,37,73,408
b) Later than one year but not later than five years	8,47,200	1,15,52,762
c) later than five years	99,000	-
Total	1,28,49,362	2,53,26,170

30 Disclosure pursuant to Accounting Standard 20 - Earnings per share

The number of shares used in computing Basic and Diluted Earnings Per Share is the weighted average number of shares outstanding during the year:-

Computation of Earnings Per Share (Basic and Diluted)	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
Loss for the year	(83,30,30,053)	(1,04,09,61,384)
Weighted average number of Shares (Number)	4,08,89,195	4,08,89,195
Nominal Value per share	10	10
Earnings Per Share - Basic & Diluted	-20.37	-25.46

31 Disclosure pursuant to Accounting Standard 22: Accounting for Taxes on Income:

In view of loss for the year calculated as per the provisions of the Income Tax Act, 1961 (The "Act"), no provision for taxation has been made.

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.

32 Contingent liabilities not provided for in respect of:

Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
(a) Capital Goods under EPCG Scheme (Refer Note below)	20,17,45,432	26,86,97,480
(b) Maharashtra VAT Demand	72,22,914	72,22,914
(c) Bank Guarantee	1,68,00,000	1,68,00,000
(d) Claims Against the Company not acknowledged as Debt	2,92,70,821	3,69,65,172
Total	25,50,39,167	32,96,85,566

Note :- The Company has procured certain Capital goods under EPCG Scheme at concessional rates of duty. As on 31st March, 2016, the Company has a contingent liability to pay differential Custom Duty along with interest thereon on such procurement on non fulfillment of certain conditions. The Management is hopeful of completing the Export Obligation within stipulated time and therefore it does not expect any cash outflow on this account.

33 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Principal amount due and remaining unpaid	-	-
(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.



34 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. 35

35 Revival Plans

The management of the Company is in the process of restructuring its business operations by :-

- * establishing tie-up with key metal producers (contract period between 3-5 years) for its container cargo movement operations in India.
- * Making representation at various levels for rationalization of haulage charges which are expected to enhance its revenue and margins.
- * The future business prospects expected on account of Inland Container Depot (ICD) being set up by a Fellow Subsidiary and company also commenced Exim business on 27th April, 2016,
- * Exim sector is a high margin business and the company expect better business growth and overall profitability.
- * clarity and resolution of regulatory issues,
- * revamping the entire business with an emphasis on operational efficiency.

The above steps shall enable the Company to improve Company's Net worth and its ability to discharge its debts/liabilities in near future.

36 Borrowings:-

a) Loans other than assigned to Asset Reconstruction Company (ARC):

i) 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 since then. Such defaults entitle the CDR lenders to revoke the CDR Package approved by them and hence the CDR Lenders decided to exit the CDR.

ii) Further to the above, CDR-EG issued a letter dated 31st July, 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 Rs.11,57,54,829/- 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 Rs 11,57,54,829/- . 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.

b) Loans Assigned to Asset Reconstruction Company (ARC):

i) Some of the Secured CDR Lenders had assigned their outstanding dues to an ARC, aggregating to Rs.353,76,23,360/- (Including Interest of Rs.95,91,17,227/-) 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 Rs.51,00,09,069/- on loans assigned to the ARC from the respective dates of their assignment.

iii) Consequent to CDR exit, the Company has not provided for additional estimated interest (from CDR cut of date till 31st March 2016) aggregating to Rs 12,10,25,175/-.

Had the Company provided for interest on such assigned loans, the loss before tax for the year would have been higher by Rs 63,10,34,244/-.

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 36 (b) (ii) and 36 (b) (iii) above in the period in which it is completed.

37 Fixed Assets and 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.

38 Other Advances as on 31st March, 2015 included Rs. 20,00,000/- being cash seized by the Income Tax Department at the time of search conducted on 13th June, 2014. The Holding Company has requested the Income Tax Department to adjust the said cash balance against its outstanding tax dues for the Assessment Year 2013-14 and therefore said cash balance has been transferred to books of account of Holding Company.



39 Details of Exceptional Items (net) are as under:

Exceptional Item	Year Ended 31st March 2016	Year Ended 31st March 2015
1) Interest on delayed payment of TDS written back	-	(99,22,277)
2) Fixed Assets Written off (Refer Note No. 12)	10,05,28,249	2,63,32,826
3) Written back of Accrued Interest of Secured Creditors	-	(2,10,91,355)
4) Loss on sale of fixed assets	1,08,74,220	-
5) Loss on transfer of assets	2,22,72,694	-
6) Provision no longer required written back	(8,23,436)	-
7) Settlement of Claims	4,31,93,275	2,39,04,574
8) Fees for Debt Restructuring	30,00,000	-
9) Irrecoverable Advance written off	36,00,000	-
10) Recovery of expenses provided in earlier years	(38,75,982)	-
11) Sundry Balance Written Back (Net)	(2,63,88,527)	(1,48,78,546)
Total	15,23,80,492	43,45,222

- 40 The Management is of opinion that, the decline in the value of Investment held by it in Arshiya Rail Siding and Infrastructure Limited (100% subsidiary) of Rs 500,000/-is not temporary and hence, the company has fully provided for diminution in the value of Investment
- 41 The Company is of the view that the provisions of Section 185 of the Companies Act, 2013 as regards Inter Company advances/loans/guarantees granted/received are not applicable, as the same are provided/received in the normal course of business.
- 42 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.
- 43 Outstanding balances in respect of Trade Receivables, Loans and Advances, Trade Payables and Other liabilities other than due from/to Holding/Fellow Subsidiaries are subject to confirmations and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the accounts cannot be ascertained.
- 44 As per Provisions of sub section 1 of Section 203 of Companies Act, 2013 the Company is required to appoint a Company Secretary, However, the Company has not complied with the said requirement and is in the process of identifying a suitable candidate for this role.
- 45 Previous year's figures have been regrouped/reclassified, wherever necessary to conform to those of current year classification/disclosure.

Signature to Notes forming part of Financial Statements

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



Mukul Patel
Partner
Membership No.: 32489

Place:- Mumbai
Date :- 25th May. 2016

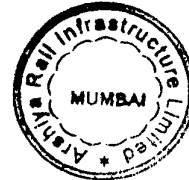


For and on behalf of the Board of Directors of
Arshiya Rail Infrastructure Limited



Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of Arshiya Rail Siding and Infrastructure Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Director is 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 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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.

Auditors' 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 disclosures in the financial statements. 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. 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

SPM

- e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 does not have any pending litigation which would impact its financial position.
 - ii. The company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M. A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W



MUKUL M. PATEL
Partner
Membership No. 32489



Place: Mumbai
Date: 25th May, 2016

Annexure- A to the Independent Auditors' Report

As referred to in the Annexure to the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2016, we report that:

- i. The Company does not have any fixed assets. Therefore, the requirements of Clause 3(i) of the Order are not applicable.
- ii. The nature of the business of the Company does not require it 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 not granted any loans to any party, covered in the register maintained under section 189 of the Companies Act, 2013 and hence clause 3(iii) of the Order is not applicable.
- iv. The Company has not granted any loan to directors directly or indirectly and also no investment has made by the company and hence clause 3(iv) of the Order is not applicable.
- v. The company has not accepted any deposits from the public.
- vi. According to the information and explanations obtained, the Company is not required to maintain cost records as prescribed under Section 148(1) of the Act pursuant to the Companies (Cost Accounting Records) Rules 2013 notified by the Central Government of India vide notification dated 1 April 2014.
- vii. (a) According to the information and explanations given to us and according to the books and records as produced before us, in our opinion, there is no delay in payment of tax deducted at source by the Company.

(b.)According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- 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. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material 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 give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial 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. Accordingly, paragraph 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 the 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 standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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. Accordingly, paragraph 3(xv) of the Order is not applicable
- xvi. The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act 1934.

For M. A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W





MUKUL M. PATEL
Partner
Membership No. 32489

Place: Mumbai
Date: 25th May,2016

Annexure- B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Arshiya Rail Siding and Infrastructure Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone 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 Companies Act, 2013.

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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 expenditures 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 31 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 Institute of Chartered Accountants of India.

For M. A. Parikh & Co.

Chartered Accountants

Firm Reg. No. 107556W



MUKUL M. PATEL

Partner

Membership No. 32489

Place: Mumbai

Date: 25th May, 2016.

ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	Amount in Rupees	
		As at 31st March 2016	As at 31st March 2015
I Equity and Liabilities			
1 Shareholders' Funds			
a) Share Capital	3	5,00,000	5,00,000
b) Reserves and Surplus	4	(5,31,542)	(4,90,772)
		(31,542)	9,228
2 Current Liabilities			
a) Trade Payables	5	55,476	71,038
b) Other current liabilities	6	81,980	25,648
		1,37,456	96,686
Total		1,05,914	1,05,914
II Assets			
Current Assets			
Cash and Bank balances	7	1,05,914	1,05,914
		1,05,914	1,05,914
Total		1,05,914	1,05,914
See accompanying notes forming part of the financial statements	1-13		


As per our report of even date attached

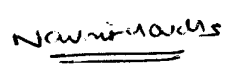
For M.A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W


Mukul Patel
Partner
Mem. No. 32489



For and on behalf of the Board of Directors of
Arshiya Rail Siding and Infrastructure Limited


Ajay S Mittal
Director
DIN : 00226355


Navnit Choudhary
Director
DIN : 00613576

Place : Mumbai
Dated : 25th May, 2016



ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in Rupees

Particulars	Notes	Year ended March 31, 2016	Year ended March 31, 2015
III.Revenue:			
II Other Income	8	27,562	-
Total Revenue		27,562	-
IV.Expenses:			
Other expenses	9	68,332	42,498
Total expenses		68,332	42,498
Loss for the year		(40,770)	(42,498)
Earnings per equity share Basic and Diluted		(0.82)	(0.85)
See accompanying notes forming part of the financial statements	1-13		

As per our report of even date attached

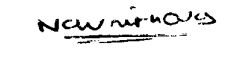
For M.A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W

For and on behalf of the Board of Directors of
Arshiya Rail Siding and Infrastructure Limited

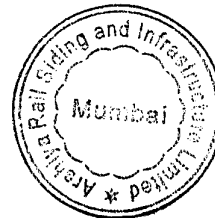

Mukul Patel
 Partner
 Mem. No. 32489




Ajay S Mittal
 Director
 DIN : 00226355


Navnit Choudhary
 Director
 DIN : 00613576

Place : Mumbai
 Dated : 25th May, 2016



ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in Rupees


Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Cash Flow From Operating Activities:		
Operating Profit before Working Capital Changes	(40,770)	(42,498)
Working Capital Changes:		
Current Liabilities	40770	42,498
Cash Generated from Operations	-	-
Net (Decrease) / Increase in Cash and Cash Equivalents	-	-
Add: Cash and Cash Equivalents at the beginning of the year	1,05,914	1,05,914
Cash and Cash Equivalents at the end of the year	1,05,914	1,05,914

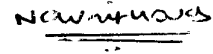
In terms of our report attached.
For M.A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W

For and on behalf of the Board of Directors of
Arshiya Rail Siding and Infrastructure Limited


Mukul Patel
Partner
Mem. No. 32489




Ajay S Mittal
Director
DIN : 00226355


Navnit Choudhary
Director
DIN : 00613576

Place : Mumbai
Dated : 25th May, 2016



ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1) Corporate Information

Arshiya Rail Siding and Infrastructure Limited ("the Company"), incorporated on 10.02.2010 shall be engaged primarily in the business of setting up/developing/obtaining rail siding infrastructure/network in India for operation/movement of container/cargo/freight trains.

2) A. 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 with mandatory 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).

B. Summary of Significant Accounting Policies:

(i) 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.

(ii) Revenue Recognition:

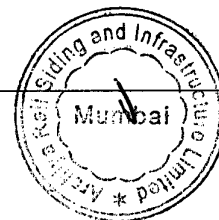
Interest and other income is accounted on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

(iii) 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 such deferred tax asset can be realized.
- 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.

(iv) 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.



ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- b. Contingent Liabilities are disclosed in respect of possible obligations that 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.

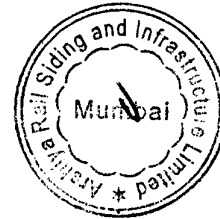
(v) Earnings per Share

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.

(vi) 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.

- (vii) Accounting policies not specifically referred to herein are in conformity with the generally accepted accounting principles followed by the Company.



ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
3. SHARE CAPITAL

Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
Authorised 50,000 (50,000) Equity Shares of Rs.10/- each	5,00,000	5,00,000
Issued, subscribed and fully paid 50,000 (50,000) Equity shares of Rs.10/- each	5,00,000	5,00,000
Total	5,00,000	5,00,000

a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number	Amount in Rupees	Number	Amount in Rupees
Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Shares outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000

(b) Terms/rights attached to the equity shares

The Company has one class of equity share having a par value of Rs .10/- 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.

c) Shares held by the Holding company

Particulars	(No. of Shares)	
	As at 31st March 2016	As at 31st March 2015
Arshiya Rail Infrastructure Limited*	50,000	50,000
Total	50,000	50,000

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

Particulars	As at 31st March 2016		As at 31st March 2015	
	Amount	% of holding	Amount	% of holding
Equity Share of Rs 10/- fully paid up				
Arshiya Rail Infrastructure Limited*	5,00,000	100	5,00,000	100
Total	5,00,000	100	5,00,000	100

*** Notes :-**

a) Shares held by the Holding Company include 200 shares fully paid up, held through declaration of beneficial interest as per section 89 of the Companies Act, 2013.

b) As per the Records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

4. RESERVES AND SURPLUS

Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	(4,90,772)	(4,48,274)
(Loss) for the year	(40,770)	(42,498)
Balance as at the end of the year	(5,31,542)	(4,90,772)
Total	(5,31,542)	(4,90,772)

5. TRADE PAYABLES

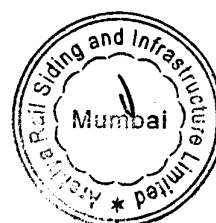
Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
Trade Payable*		
Total outstanding dues of creditors other than micro enterprises and small enterprises	55,476	71,038
Total	55,476	71,038

(* Refer Note no. 13 for dues to Micro, Small and Medium Enterprises)

6. OTHER CURRENT LIABILITIES

Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
Loan from From Holding Company	81,980	25,648
Total	81,980	25,648

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ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

7. CASH AND CASH EQUIVALENTS

Amount in Rupees

Particulars	Amount in Rupees	
	As at 31st March 2016	As at 31st March 2015
Cash and cash equivalents - Current		
Balances with a banks		
In current account	1,05,914	1,05,914
Total	1,05,914	1,05,914

8. OTHER INCOME:

Amount in Rupees

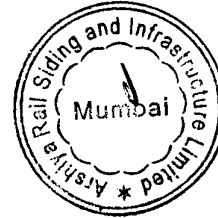
Particulars	Amount in Rupees	
	Year ended March 31, 2016	Year ended March 31, 2015
Excess Provision Written Back	20,094	-
Sundry Balances written back	7,468	-
Total	27,562	-

9. OTHER EXPENSES :

Amount in Rupees

Particulars	Amount in Rupees	
	Year ended March 31, 2016	Year ended March 31, 2015
Legal and Professional Fees	-	18,500
Miscellaneous expenses	21,478	8,998
Auditors Remuneration		
- Audit fees	45,000	15,000
- Out of Pocket Expenses	1,854	-
Total	68,332	42,498

(Signature)



ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

10 Disclosure pursuant to Accounting Standard 18 - Related party disclosures:

- (I) List of related parties where control exists and related parties with whom transactions have taken place and relationships:-

Sr. No.	Name of Related Party	Relationship
1	Arshiya Limited	Ultimate Holding Company
2	Arshiya Rail Infrastructure Limited	Holding Company
3	Mr. Ajay S. Mittal - Director Mr. Navnit Choudhary - Director Mr. Binu Jacob - Director	Key Management Personnel

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.

- (II) Summary of significant related party transactions (as identified by the management) carried out in the ordinary course of business are as follows:

Transactions	Holding Company	
	As at 31st March 2016	As at 31st March 2015
Loan Taken		
Balance as at the beginning of the year	25,648	-
Loan Received during the year	-	25,648
Balance as at the end of the year	25,648	25,648

11	Computation of Earnings per share (Basic and Diluted)	As at 31st March 2016	As at 31st March 2015
	Net (Loss) attributable to shareholders	(40,770)	(42,498)
	Weighted average number of equity shares Outstanding	50,000	50,000
	Nominal value per share (Rs.)	10	10
	Basic & Diluted EPS	(0.82)	(0.85)

12 Disclosure pursuant to Accounting Standard 22: Accounting for Taxes on Income:

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.

Deferred Tax Assets consist of carry forward losses 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, the Deferred Tax Assets have not been recognized as a measure of abundant caution.

13 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
(a) Principal amount due and remaining unpaid	-	-
(b) Interest due on above	-	-
(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.

As per our report of even date

For M.A.Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W

Mukul Patel

Mukul Patel
Partner
Membership No.: 32489
Place: Mumbai
Dated : 25th May, 2016

For and on behalf of the Board of Director:
Arshiya Rail Siding and Infrastructure Lim

Ajay S. Mittal *Navnit Choudhary*

Ajay S. Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Members of
ARSHIYA SUPPLY CHAIN MANAGEMENT PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Arshiya Supply Chain Management Private 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 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 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 judgments 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 judgment, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2016;
 - (b) in the case of the Statement of Profit and Loss, of the profit 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 Matter

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

- (a) Unpaid full and final employee's dues Rs. 55,27,280/-
- (b) Unpaid Statutory dues Rs. 8,35,12,453/- (Refer Note no. 9)

Despite the foregoing, these accounts have been prepared on a "Going Concern" basis as referred to in Note no. 30 of the Financial Statements.

2. Further to above, we draw attention to the following in respect of:

- (i) Note No. 32 Re. Tax deducted at Source.
- (ii) Note No. 39 Re. Intercompany Advances/Loans/Guarantees granted/received.

Our Opinion is not modified in respect of these matters.

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.



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, the 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 accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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. 34 to the financial statements;
 - (ii) The Company does not have any long-term contracts including derivative contracts for which there could be any material foreseeable losses and hence, the question of making provision for such losses does not arise.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M.A. Parikh & Co.
Chartered Accountants
(Firm Reg. No. 107556W)



Mukul M Patel
Partner
Membership No. 032489
Place: Mumbai
Date:



Annexure - A to the Auditors' Report

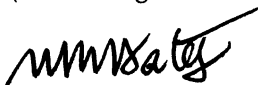
Annexure referred to in paragraph 1 of our report on Other Legal and Regulatory Requirement of even date

- (i) (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, no material discrepancies were noticed on such verification.
 - (c) The Company does not own any immovable property and hence clause 3(i)(c) of the Order is not applicable.
- (ii) The nature of the business of the Company does not require it to purchase any inventory and hence clause 3(ii) of the Order is not applicable.
 - (iii) The Company has not granted any loans to any party, covered in the register maintained under section 189 of the Companies Act, 2013 and hence clause 3(iii) of the Order is not applicable.
 - (iv) The Company has not granted any loans, guarantees and security and also not made any investment and hence clause 3(iv) of the Order is not applicable.
 - (v) The Company has not accepted any deposits and hence clause 3(v) of the Order is not applicable.
 - (vi) The Company is operating from a Special Economy Zone and hence, is exempt from the maintenance of cost records as prescribed under section 148(1) of the Companies Act, 2013.
 - (vii) (a) The Company is generally regular in depositing undisputed applicable statutory dues, *except Tax Deducted at Source of Rs. 7,54,17,716/- which is outstanding as of the year-end for a period of more than six months from their due dates of payment.*
 - (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty and excise duty which have not been deposited on account of any disputes.
- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to its financial institution.



- (ix) According to the information and explanations given to us and based on our examination of the balance sheet and other records, we report that:
- (a) the Company did not raise any money by way of initial public offer or further public offer (including debt instruments).
- (b) the term loan availed by the company has been applied for the purpose for which it is raised.
- (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, during the year the Company has not paid/ provided 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 standards (Refer Note no. 26).
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (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. 032489



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 ("Act")

We have audited the internal financial controls over financial reporting of **Arshiya Supply Chain Management Private 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 Institute of Chartered Accountants of India 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 Institute of Chartered Accountants of India.

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





Arshiya Supply Chain Management Private Limited

Audited Financial Statement

As at 31st March, 2016

Arshiya Supply Chain Management Private Limited
Balance Sheet as at 31st March, 2016

	Notes	31st March, 2016	(Amount in ₹) 31st March, 2015
I. Equity And Liabilities			
1. Shareholders' Funds			
(a) Share Capital	3	3,78,71,200	3,78,71,200
(b) Reserves and Surplus	4	(1,18,49,74,788)	(1,21,43,31,777)
2. Non-Current Liabilities			
(a) Long-term Borrowings	5	1,55,54,30,991	81,87,88,890
(b) Long-term Provisions	6	6,66,481	6,56,340
3. Current Liabilities			
(a) Short-term Borrowing	7	-	10,09,500
(b) Trade Payables	8		
(i) Total outstanding dues of micro enterprises and small enterprises		33,24,949	34,83,231
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		26,69,64,357	20,23,30,252
(c) Other Current Liabilities	9	42,97,18,692	62,37,68,511
(d) Short-term Provisions	10	91,83,336	16,33,384
Total		1,11,81,85,218	47,52,09,530

II. Assets

1. Non Current Assets

(a) Fixed Assets	11		
(i) Tangible Assets		4,26,036	8,01,909
(ii) Intangible Assets		31,56,893	35,51,237
(b) Long-term Loans and advances	12	90,70,00,000	27,70,00,000

2. Current Assets

(a) Trade Receivables	13	12,37,62,542	15,03,43,698
(b) Cash and Bank balances	14	2,01,00,956	6,10,508
(c) Short-term Loans and advances	15	6,37,38,791	4,29,02,178

Total

1,11,81,85,218 **47,52,09,530**

Summary of Significant Accounting Policies	2
See accompanying notes to the financial statements	1 to 40

As per our report of even date

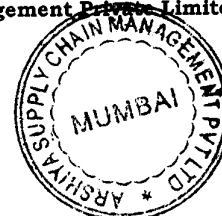
For M.A. Parikh & Co.
Chartered Accountants
 Firm Registration Number 107556W

Mukul Patel
Mukul Patel
 Partner
 Membership Number: 03248



For and on behalf of the Board of Directors of
Arshiya Supply Chain Management Private Limited

Ajay S. Mittal
Ajay S. Mittal
 Director
 DIN : 00226355



Navnit Choudhary
Navnit Choudhary
 Director
 DIN : 00613576

Place: Mumbai
 Dated: 25th May, 2016

Arshiya Supply Chain Management Private Limited
Statement of Profit and Loss for the Year Ended 31st March, 2016

(Amount in ₹)


	Notes	31st March, 2016	31st March, 2015
Revenue			
Revenue from operations	16	85,36,18,650	68,51,37,199
Other income	17	62,23,604	2,40,06,948
Total Revenue		85,98,42,254	70,91,44,147
Expenses			
Operating expenses	18	56,58,93,302	49,54,82,306
Employee benefit	19	2,47,77,020	3,05,29,432
Other expenses	20	1,26,30,539	1,08,34,066
Finance costs	21	22,63,63,683	16,82,98,531
Depreciation and amortization	11	7,70,217	11,79,060
Total Expenses		83,04,34,761	70,63,23,394
Profit for the year before Exceptional items and Tax		2,94,07,493	28,20,753
Less: Prior Period Adjustment	22	(1,42,00,000)	-
Less: Exceptional Items (net)	23	67,00,504	(75,74,794)
Profit for the year before Tax		3,69,06,989	1,03,95,547
Tax expenses			
Current Tax		75,50,000	15,05,000
Prior year Tax Adjustments		-	(5,81,07,853)
Profit after Tax		2,93,56,989	6,69,98,400
Earnings per equity share			
Basic and Diluted (in ₹)	27	7.75	17.69
Summary of Significant Accounting Policies	2		
See accompanying notes to the financial statements	1 to 40		

As per our report of even date

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

For and on behalf of the Board of Directors of
Arshiya Supply Chain Management Private Limited

Mukul Patel
Mukul Patel
 Partner
 Membership Number: 032489

Ajay S. Mittal

Ajay S. Mittal
 Director
 DIN : 00226355

Place: Mumbai
 Dated: 25th May, 2016

Navnit Choudhary
Navnit Choudhary
 Director
 DIN : 00613576



Arshiya Supply Chain Management Private Limited
Cash Flow Statement for the year ended 31st March, 2016

(Amount in ₹)

	31st March 2016	31st March 2015
A. CASH FLOWS FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Statement of Profit & Loss	3,69,06,989	1,03,95,547
Adjustments for:		
Depreciation	7,70,217	11,79,060
Finance Cost	22,63,63,683	16,82,98,531
Reversal of Expense of Prior year	(1,42,00,000)	-
Bad debts written off	1,91,76,929	90,97,784
Provision for Doubtful Debts	-	5,74,079
Interest Income	-	(16,71,012)
Interest on Delayed Payment of TDS Written back	(64,78,231)	(1,34,57,528)
Excess Provision Written Back	(36,51,172)	(1,26,19,493)
Employee Due / Sundry Balance Written back	(59,98,194)	(32,15,050)
Unrealised Foreign Exchange (Gain)/ Loss	(24,56,897)	(46,13,638)
Operating Profit before Working Capital Changes	25,04,33,324	15,39,68,280
Adjustments for:		
Increase/(Decrease) in Provisions	36,61,265	(6,90,46,091)
Increase/(Decrease) in Current Liabilities	(4,14,83,231)	(27,28,476)
(Increase)/Decrease in Long Term Loans and Advances	(63,00,00,000)	(27,50,00,000)
(Increase)/Decrease in Short term Loans and Advances	(2,08,36,613)	7,79,09,046
Increase/(Decrease) in Trade Payables	7,86,75,823	(7,38,36,302)
(Increase)/Decrease in Trade Receivables	98,61,124	(4,02,45,826)
Net Cash flow from / (used in) Operating Activities	(34,96,88,308)	(22,89,79,370)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest income	-	16,71,012
Net Cash flow from / (used in) Investing Activities	-	16,71,012
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Short Term Loan Availed / (Repaid) (net)	(10,09,500)	(85,51,391)
Term Loan Availed / (Repaid) (net)	58,33,08,769	37,71,22,223
Finance Cost	(21,31,20,513)	(14,93,31,433)
Net Cash flow from / (used in) Financing Activities	36,91,78,756	21,92,39,399
Net Increase / (Decrease) in Cash & Cash Equivalent (A+B+C)	1,94,90,448	(80,68,959)
Cash and cash equivalents at the beginning of the year	6,10,508	86,79,467
Net Increase / (Decrease) in Cash & Cash Equivalent	1,94,90,448	(80,68,959)
Cash and cash equivalents at the end of the year	2,01,00,956	6,10,508

As per our report of even date.

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

Mukul Patel

Mukul Patel
Partner
Membership Number: 032489

Place: Mumbai
Dated: 25th May, 2016



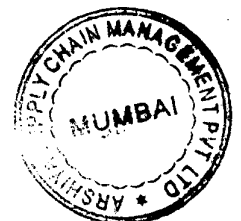
For and on behalf of the Board of Directors of
Arshiya Supply Chain Management Private Limited

Ajay S. Mittal

Ajay S. Mittal
Director
DIN : 00226355

Navnit Choudhary

Navnit Choudhary
Director
DIN : 00613576



Arshiya Supply Chain Management Private Limited
Notes to Financial Statements for the year ended 31st March, 2016

1. Corporate Information

Arshiya Supply Chain Management Private Limited (the Company) is a privately held company domiciled in India and was incorporated under the provisions of the erstwhile Companies Act, 1956 and is a subsidiary of Arshiya Limited.

The Company is registered as a service unit in Free Trade Warehousing Zone (FTWZ) of Arshiya Limited, at Panvel, Maharashtra and in FTWZ of Arshiya Northern FTWZ Limited, at Khurja, Uttar Pradesh.

2. A. 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") on a going concern basis and are in conformity with mandatory accounting standards issued by Institute of Chartered Accountants of India, as specified prescribed under 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).

B. Significant Accounting Policies

i. 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 amount of revenue and expenses for the year. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

ii. Fixed Assets

(a) Tangible Fixed Assets

Fixed assets 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 operation are capitalised.

(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 costs 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. Depreciation and Amortization

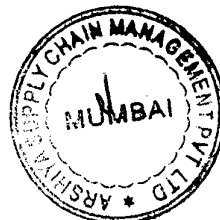
(a) Tangible Assets:

Depreciation on fixed assets is provided as per Part C of Schedule II of the Companies Act, 2013.

(b) Intangible Assets

(i) Software (intangible asset, other than below), is amortised 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.

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



Arshiya Supply Chain Management Private Limited
Notes to Financial Statements for the year ended 31st March, 2016

iv. Revenue Recognition

- (a) Revenue from Storage and Management fees is recognized on an accrual basis.
- (b) Revenue from Handling and Transportation is based on Inward and Outward movement of containerized cargo.
- (c) Revenue from Value Added Services and other activities is recognised based on completion of agreed contracted services.
- (d) 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.

v. 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 differences are recognized in the Statement of Profit and Loss.

vi. Employee benefits

Employee benefits include schemes such as 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 incurred.

(b) Defined Benefit Plan

The Company has a Defined Benefit Plan in respect of Gratuity. The scheme is managed by a Trust (Life Insurance Corporation of India). The liability for the defined benefit plan is provided on the basis of an actuarial valuation carried out by an independent actuary as at the Balance Sheet date.

Actuarial gains and losses in respect of post-employment and other long term benefits are recognized in the Statement of Profit and Loss.

(c) Other Employee Benefits

Liability for leave encashment entitlement is provided on the basis of independent actuarial valuation.

vii. Lease

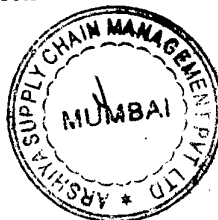
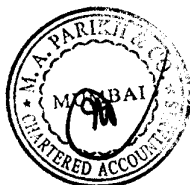
Operating lease

Assets taken on lease 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.

viii 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 measured using relevant enacted tax rates. Deferred Tax assets are not recognized unless there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.



Arshiya Supply Chain Management Private Limited
Notes to Financial Statements for the year ended 31st March, 2016

(c) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which gives 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.

ix. Impairment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

x. Earnings per Share (EPS)

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

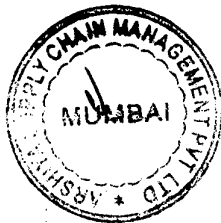
xi. Provisions, Contingent Liability and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

xii. Cash Flow Statement

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

xiii Accounting policies not specifically referred to are consistent with the generally accepted accounting principles.



Arshiya Supply Chain Management Private Limited
Notes to Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

31st March, 2016 31st March, 2015

3. Share Capital
Authorised :

40,00,000 (Previous Year 40,00,000) Equity Shares of ₹ 10/- each

4,00,00,000 4,00,00,000

Issued, Subscribed and Fully Paid:

37,87,120 (Previous Year 37,87,120) Equity Shares of ₹ 10/- each
Total

3,78,71,200 3,78,71,200
3,78,71,200 3,78,71,200

(a) Reconciliation of Equity shares outstanding at the beginning and at the end of the year

Particulars	31st March, 2016		31st March, 2015	
	Number	Amount in ₹	Number	Amount in ₹
Balance as at the beginning of the year	37,87,120	3,78,71,200	37,87,120	3,78,71,200
Balance as at the end of the year	37,87,120	3,78,71,200	37,87,120	3,78,71,200

(b) Terms and rights attached to the equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The share holders who held shares on the record date or 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 the 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.

(c) Shares held by the Holding Company / Fellow Subsidiary

Name of the Shareholder	31st March, 2016		31st March, 2015	
	Number	Amount in ₹	Number	Amount in ₹
Arshiya Limited*	33,08,333	3,30,83,330	33,08,333	3,30,83,330
Arshiya Northern FTWZ Limited	4,78,787	47,87,870	4,78,787	47,87,870
Total	37,87,120	3,78,71,200	37,87,120	3,78,71,200

*Notes:-

(a) Shares held by the Holding Company include 100 shares fully paid up, held through declaration of beneficial interest as per section 89 of the Companies Act, 2013.

(b) As per the Records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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

Name of the Shareholder	31st March, 2016		31st March, 2015	
	Number	% of Holding	Number	% of Holding
Arshiya Limited	33,08,333	87.36%	33,08,333	87.36%
Arshiya Northern FTWZ Limited	4,78,787	12.64%	4,78,787	12.64%
Total	37,87,120	100.00%	37,87,120	100.00%



Arshiya Supply Chain Management Private Limited
Notes to Financial Statements for the year ended 31st March, 2016

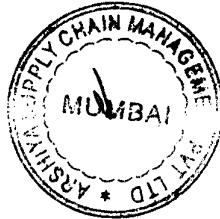
(Amount in ₹)

	31st March, 2016	31st March, 2015
4. Reserves and Surplus		
Securities Premium		
Balance as at the beginning and at the end of the year	50,28,35,975	50,28,35,975
Surplus/(Deficit) in the Statement of Profit & Loss		
Balance as at the beginning of the year	(1,71,71,67,752)	(1,78,25,39,229)
Add: Profit for the year	2,93,56,989	6,69,98,400
Less: Adjustment for depreciation (Refer Note No : 28)	-	(16,26,923)
Balance as at the end of the year	<u>(1,68,78,10,763)</u>	<u>(1,71,71,67,752)</u>
TOTAL	<u>(1,18,49,74,788)</u>	<u>(1,21,43,31,777)</u>
5. Long -Term Borrowings		
Secured Loan		
Term Loan - Others	1,55,54,30,991	81,87,88,890
Total	<u>1,55,54,30,991</u>	<u>81,87,88,890</u>

The Term loan facility is secured by:

- 5.1 Pledge of 49% shares of Arshiya Northern FTWZ Limited held by Arshiya Limited.
- 5.2 Exclusive charge in favor of Capital First Limited on present and future Receivables of Company from Panvel FTWZ.
- 5.3 Escrow mechanism on the cash flows and receivables of Company from Panvel FTWZ.
- 5.4 Corporate Guarantee by Arshiya Limited and Arshiya Northern FTWZ Limited for the facility extended to Company.
- 5.5 Personal Guarantee of Promoters of Holding Company i.e. Mr. Ajay Mittal and Mrs. Archana Mittal.
- 5.6 Demand Promissory Note by Borrower.
- 5.7 Second charge on the Khurja Land and all assets of Arshiya Northern FTWZ Limited.
- 5.8 Term Loan carries interest rate of 14.25% per annum.
- 5.9 Repayment Schedule of Secured Loan is as follows:-
 - (i) Refer long term maturities as shown below:
 - (ii) Refer current maturities of long term loan as referred to in Note No. 9.

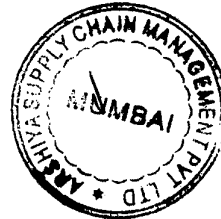
Financial Year	Amount in ₹
2016-17	25,50,00,000
2017-18	42,00,00,000
2018-19	48,00,00,000
2019-20	48,00,00,000
2020-21	17,54,30,991
Total	1,81,04,30,991



Arshiya Supply Chain Management Private Limited
Notes to Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

	31st March, 2016	31st March, 2015
6. Long Term Provisions		
Employees Benefits - Leave Encashment (Refer Note no: 24)	6,66,481	6,56,340
Total	6,66,481	6,56,340
7. Short Term Borrowings		
Unsecured:		
Loan from Fellow Subsidiary Company	-	10,09,500
Total	-	10,09,500
8. Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	33,24,949	34,83,231
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note no: 31 and 36)	26,69,64,357	20,23,30,252
Total	27,02,89,306	20,58,13,483
9. Other Current Liabilities		
Current Maturities of Long Term Loan (Refer Note no: 5)	25,50,00,000	40,83,33,333
Statutory Dues (Refer Note no: 32)	8,35,12,453	13,24,05,632
Interest on Delayed Payment of Statutory Dues	4,24,80,784	3,57,15,846
Employees dues Payable	87,86,982	1,15,51,805
Provision for Expenses	56,67,519	40,38,225
Security Deposits	3,09,90,714	2,28,06,090
Advance from Customers	32,80,240	89,17,580
Total	42,97,18,692	62,37,68,511
10. Short -Term Provisions		
Employees Benefits - Leave Encashment (Refer Note no: 24)	1,28,336	1,28,384
Others		
Provision for Taxes	90,55,000	15,05,000
Total	91,83,336	16,33,384



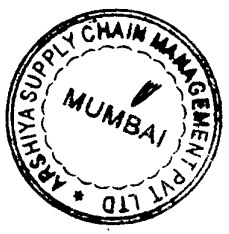
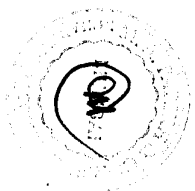
Arshya Supply Chain Management Private Limited
Notes to Financial Statements for the year ended 31st March, 2016

11. Fixed Assets

Description Of Assets	Gross Block			Depreciation / Amortization			Net Block		(Amount in ₹)
	As at 1st April, 2015	As at 31st March, 2016	As at 1st April, 2015	For the year	Adjustment*	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015	
Tangibles									
Equipments	9,72,981	9,72,981	6,31,439	2,91,200	-	9,22,639	50,342	3,41,542	
Furniture & Fixtures	6,42,993	6,42,993	1,96,219	71,080	-	2,67,299	3,75,694	4,46,774	
Computers	48,62,745	48,62,745	48,49,152	13,593	-	48,62,745	-	13,593	
Sub Total (A)	64,78,719	64,78,719	56,76,810	3,75,873	-	60,52,683	4,26,036	8,01,909	
Intangible									
Software Licenses	48,16,774	48,16,774	12,65,537	3,94,344	-	16,59,881	31,56,893	35,51,237	
Sub Total (B)	48,16,774	48,16,774	12,65,537	3,94,344	-	16,59,881	31,56,893	35,51,237	
Total (A+B)	1,12,95,493	1,12,95,493	69,42,347	7,70,217	-	77,12,564	35,82,929	43,53,146	
Previous Year	1,12,95,493	1,12,95,493	41,36,364	11,79,060	16,26,923	69,42,347	43,53,146	-	

Notes:

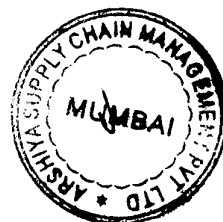
- a. * Adjustment is as per Part C of Schedule II of the Companies Act 2013.
 b. Refer Note No. 28 relating to Component Accounting.



Arshiya Supply Chain Management Private Limited
Notes to Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

	31st March, 2016	31st March, 2015
12. Long Term Loans & advances		
(Unsecured, Considered Good)		
<u>Security Deposits</u>		
With Holding Company	90,70,00,000	26,20,00,000
With Others	-	1,50,00,000
Total	90,70,00,000	27,70,00,000
13. Trade Receivables (Unsecured)		
Outstanding for period exceeding six months		
Considered good	2,65,71,429	2,30,78,264
Considered Doubtful	12,35,331	19,59,415
Less Provision for Doubtful Debts	(12,35,331)	(19,59,415)
Other Debts	-	-
Considered good	9,71,91,113	12,72,65,434
Total	12,37,62,542	15,03,43,698
14. Cash and Bank balances		
Cash on hand	17,818	33,711
Balance with banks	2,00,83,138	5,76,797
Total	2,01,00,956	6,10,508
15. Short -Term Loans and advances		
(Unsecured, considered good)		
Tax deducted at source	5,84,87,715	3,78,68,924
Gratuity Fund Balance (net) (Refer Note no: 24)	35,10,456	33,94,921
Trade Advance	12,46,077	5,36,245
Prepaid Expenses	4,89,543	31,788
Gratuity Deposit	5,000	5,000
Other Advance (Refer Note no: 37)	-	10,65,300
Total	6,37,38,791	4,29,02,178



Arshiya Supply Chain Management Private Limited
Notes to Financial Statements for the year ended 31st March, 2016

	(Amount in ₹)	
	31st March, 2016	31st March, 2015
16. Revenue From Operations		
Sale of Services	85,36,18,650	68,51,37,199
Total	85,36,18,650	68,51,37,199
17. Other Income		
Interest	-	16,71,012
Actuarial Gain on Gratuity Fund	1,15,535	14,71,725
Excess Provision Written Back	36,51,172	1,26,19,493
Foreign Exchange Gain/(Loss) (Net)	24,56,897	82,44,718
Total	62,23,604	2,40,06,948
18. Operating Expenses		
Operating Expenses	56,58,93,302	49,54,82,306
Total	56,58,93,302	49,54,82,306
19. Employee Benefit		
Salaries, bonus and other allowances	2,35,22,287	2,94,99,084
Contribution to Provident and other funds	9,74,237	8,77,488
Staff Welfare expenses	2,80,496	1,52,860
Total	2,47,77,020	3,05,29,432
20. Other Expenses		
Insurance Expenses	2,105	11,361
Rates & Taxes	60,019	60,739
Legal & Professional Fees	19,14,678	20,11,500
Bank Charges	19,52,224	18,85,047
Travelling And Conveyance	52,97,644	22,40,226
<u>Remuneration to Auditors</u>		
Audit Fees	8,00,000	8,00,000
Reimbursement of expenses	25,000	-
Provision for Doubtful Debts	-	5,74,079
Miscellaneous Expenses	25,78,869	32,51,114
Total	1,26,30,539	1,08,34,066
21. Finance Costs		
Interest Expense	21,21,23,472	14,82,60,866
Interest on Delayed Payment of Statutory Dues	1,34,02,311	1,90,37,665
Other Borrowing Cost	8,37,900	10,00,000
Total	22,63,63,683	16,82,98,531
22. Prior Period Adjustment		
Reversal of Penal Interest	(1,42,00,000)	-
	-	-
	(1,42,00,000)	-
23. Exceptional Items		
Bad Debts Written Off (Refer Note no: 38)	1,91,76,929	90,97,784
Interest on Delayed Payment of TDS Written back (Refer Note no: 32)	(64,78,231)	(1,34,57,528)
Sundry Balances Written Back	(59,98,194)	(32,15,050)
	67,00,504	(75,74,794)



Arshiya Supply Chain Management Private Limited
Notes to Financial Statements for the year ended 31st March, 2016

24 Disclosure pursuant to Accounting Standard 15(Revised)-Employee Benefits.

a. **Defined Contribution plan**

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**

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment(Unfunded)	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
I. Actuarial assumptions				
Discount rate	7.55%	7.80%	7.55%	7.80%
Rate of return on plan assets	7.55%	9.00%	N.A.	N.A.
Future salary rise	7.00%	7.00%	7.00%	7.00%
Attrition rate	15.00%	15.00%	15.00%	15.00%

(Amount in ₹)

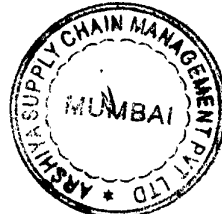
Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
II. Changes in defined benefit obligations				
Liability at the beginning of year	10,80,549	18,20,166	7,84,724	9,91,736
Interest cost	84,483	1,69,093	56,835	67,916
Current service cost	3,35,029	6,82,793	2,58,939	2,86,906
Benefits paid	--	--	(1,12,134)	(5,21,343)
Actuarial (gain)/loss on obligations	(1,61,145)	(15,91,503)	(1,93,547)	(40,491)
Liability at the end of year	13,38,716	10,80,549	7,94,817	7,84,724

(Amount in ₹)

Particulars	Gratuity (Funded)	
	31st March, 2016	31st March, 2015
III. Fair value of plan assets		
Fair value of plan assets at the beginning of the year	44,75,470	37,43,362
Expected return on plan assets	4,02,792	3,25,672
Benefits paid	--	--
Actuarial (gain)/loss on obligations	(29,090)	4,06,436
Fair value of plan assets at the end of the year	48,49,172	44,75,470

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment(Unfunded)	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
IV. Actual return on plan assets				
Expected return on plan assets	4,02,792	3,25,672	-	-
Actuarial (gain)/loss on assets	(29,090)	4,06,436	-	-
Actual return on plan assets	3,73,702	7,32,108	-	-



Arshiya Supply Chain Management Private Limited
Notes to Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
V. Fair value of assets and liabilities				
Present Value of defined benefit obligation	(13,38,716)	(10,80,549)	(7,94,817)	(7,84,724)
Fair value of plan assets	48,49,172	44,75,475	-	-
Plan Assets / (Liability)	35,10,456	33,94,926	(7,94,817)	(7,84,724)

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
VI. Expenses recognized in the statement of Profit and Loss				
Current service cost	3,35,029	6,82,793	2,58,939	2,86,906
Interest cost	84,283	1,69,093	56,835	67,916
Expected return on plan assets	(4,02,792)	(3,25,672)	-	-
Net actuarial (Gains)/Loss to on obligation	(1,32,055)	(19,97,939)	(1,93,547)	(40,491)
Expense/(gain) recognised in the statement of Profit and Loss	(1,15,535)	(14,71,725)	1,22,227	3,14,331

Notes:

"Contribution to provident and gratuity fund" is recognised as an expense in Note no. 19 of the Statement of Profit and Loss.

25. Disclosure pursuant to Accounting Standard 17 – Segment Information

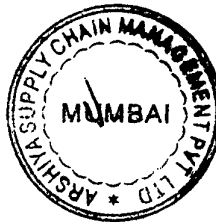
The Company is primarily engaged in providing end to end supply and demand chain solutions to its customers in FTWZ. In the opinion of the Company, the entire business is governed by same set of risks and returns and hence, the same has been considered as representing a single primary segment. The Company 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.

26. Related party disclosures, as required by Accounting Standard 18 "Related Party Disclosures" as given below:

Name of Related Party	Relationship
Arshiya Limited	Holding Company
Arshiya Rail Infrastructure Limited	Fellow Subsidiaries
Arshiya Northern FTWZ Limited	Key Management Personnel (KMP)
Mr. Ajay Mittal - Director (with effect from 28th August, 2014)	
Mr. Navnit Choudhary - Director	
Mr. Ranjit Ray - Director	

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.



Arshiya Supply Chain Management Private Limited
Notes to Financial Statements for the year ended 31st March, 2016

The nature and amount of transactions with the above related parties are as follows

Nature of Transactions	(Amount in ₹)		
	Holding Company	Fellow Subsidiary	Total
Purchases of Services	39,12,81,394 (33,46,35,555)	2,42,70,975 (2,04,51,613)	41,55,52,369 (35,50,87,168)
Security Deposit Given	64,50,00,000 (26,00,00,000)	- (1,50,00,000)	64,50,00,000 (27,50,00,000)
Corporate Guarantee Received *	1,85,00,00,000		1,85,00,00,000
Corporate Guarantee Received Cancelled	1,85,00,00,000	-	1,85,00,00,000
Corporate Guarantee Given Cancelled	1,15,00,00,000	-	1,15,00,00,000
Loan Received	-	(10,09,500)	(10,09,500)
Loan Repaid (Net of Reimbursement of Expenses)	-	10,09,500	10,09,500
	(95,60,891)	-	(95,60,891)
Balance as at 31st March, 2016			
Loan Payable	-	(10,09,500)	(10,09,500)
Trade Payable	7,73,00,143 (2,86,152)	17,23,84,330 (14,59,69,152)	24,96,84,473 (14,62,55,304)
Security Deposit	90,70,00,000 (26,20,00,000)	-	90,70,00,000 (26,20,00,000)
Corporate Guarantee Given	(1,15,00,00,000)	-	(1,15,00,00,000)
Corporate Guarantee Received *	1,85,00,00,000 (1,85,00,00,000)		1,85,00,00,000 (1,85,00,00,000)

* Corporate Guarantee is given jointly and severally by Holding Company (Arshiya Limited) and Fellow Subsidiary Company (Arshiya Northern FTWZ Ltd.).

Note: Figures in brackets represent those of previous year.

27. Disclosure pursuant to Accounting Standard 20 - Earnings per share

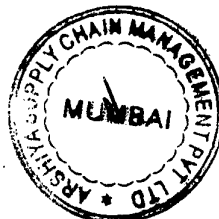
Particulars	31st March, 2016	31st March, 2015
Profit for the year after tax (Amount in ₹)	2,93,56,989	6,69,98,400
Weighted average number of shares (Number)	37,87,120	37,87,120
Nominal value per share (Amount in ₹)	10	10
Earnings per share - Basic and Diluted (Amount in ₹)	7.75	17.69

28. 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 & 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



29. Disclosure pursuant to Accounting Standard 22: Accounting for Taxes on Income

Deferred Tax :

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 recognized as a measure of abundant caution.

30. Going Concern Assumption.

The financial statements of the Company have been prepared on a "Going Concern" basis in view of:

- The Company having turned the corner by reporting a profit before tax of ₹ 3,69,06,989/-.
- Increase in volume of business of the Company by providing services to the clients in Free Trade Warehousing Zones(s) (FTWZ) at Panvel and Khurja, owned by the Holding Company and a Fellow Subsidiary respectively;
- The future business prospects expected on account of Inland Container Depot (ICD) being set up by a Fellow Subsidiary.

31. Details of dues to Micro Small and Medium enterprises as per MSMED Act, 2006

(Amount in ₹)

Description	31st March, 2016	31st March, 2015
a. Principal amount due and remaining unpaid	33,24,949	34,83,231
b. Interest due on above	20,484	-
c. Payment made beyond the appointed day during the year	-	-
d. Interest paid	-	-
e. Interest due on 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 Company and relied upon by the Auditors.

32. Tax Deducted at Source (TDS)

During the year,

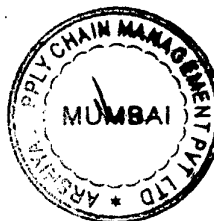
(a) The Company had deducted income tax at source (TDS) aggregating to ₹ 8,99,97,498/- during the current and earlier years from the amounts payable to Holding Company and one fellow subsidiary company. The Company has not paid the said TDS to the Government because Holding Company and fellow subsidiary Company has informed that, they have / will discharge their income tax liabilities on their respective income declared by them in the respective and current years. Accordingly, during the year, the Company has transferred an amount of ₹ 8,99,97,498/- back to the respective parties.

(b) The Company has written back an aggregate amount of ₹ 64,78,231/- representing interest on unpaid tax deducted at source provided in earlier years on the premise that since the corresponding tax deducted is not payable as mentioned in Note no. (a) above, interest thereon is not payable and also reversed the provision made towards this in current year.

33. Details of Foreign Currency Exposure:

Foreign Currency transactions/balances of the Company are not hedged by derivative instruments or otherwise. The details of foreign currency transactions /balances of the Company are as follows:

Particulars	Amount in Foreign Currency			Equivalent amount (in ₹)	
	Currency	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Accounts Receivables	USD	17,66,206	32,14,855	11,55,27,522	19,82,27,966
	EUR	6,587	57,656	4,85,625	38,24,908
Security Deposit Payables	USD	80,935	34,715	52,93,986	21,40,553
	EUR	3,609	3,609	2,66,071	2,39,435



Arshiya Supply Chain Management Private Limited
Notes to Financial Statements for the year ended 31st March, 2016

34. Contingent Liabilities not provided for in respect of:

(Amount in ₹)

Particulars	31st March, 2016	31st March, 2015
Claims against the Company not acknowledged as debts	6,25,000	-

35. Other Disclosures:

Earnings in Foreign Currency

(Amount in ₹)

Particulars	31st March, 2016	31st March, 2015
Revenue from Free Trade Warehousing Zone and related services	84,87,73,222	64,94,18,494

36. Trade Payables includes aggregating to ₹ 39,18,441/- which are outstanding for more than 1 year. The Company is of the view that these dues will be paid during 2016-17 and hence presented as "Current".
37. Other Advances as on 31st March, 2015 included ₹ 10,65,300/- being cash seized by the Income Tax Department at the time of search conducted on 13th June, 2014. The Holding Company has requested the Income Tax Department to adjust the said cash balance against its outstanding tax dues for the Assessment Year 2013-14 and therefore said cash balance has been transferred to books of account of Holding Company.
38. The Management has evaluated the recoverability aspects of it's customers and based on such evaluation it has decided to write-off the irrecoverable amount of ₹ 1,91,76,929/- (Previous Year ₹ 90,97,784/-)
39. The Company is of the view that the provisions of Section 185 of the Companies Act, 2013 as regards inter Company advances/loans/guarantees granted/received to/from group companies are not applicable, as the same are provided/received in the normal course of business.
40. Previous year's figures have been regrouped, rearranged, reclassified wherever necessary to conform to those of current year's presentation.

Signatures to Notes forming part of Financial Statements.

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

Mukul Patel

Mukul Patel
 Partner
 Membership Number: 032489

Place: Mumbai
 Dated: 25th May, 2016



For and on Behalf of the Board of Directors of
Arshiya Supply Chain Management Private Limited

Ajay S. Mittal

Ajay S. Mittal
 Director
 DIN : 00226355

Navnit Choudhary

Navnit Choudhary
 Director
 DIN : 00613576



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of Arshiya Transport and Handling Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **ARSHIYA TRANSPORT AND HANDLING 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 significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Director is 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 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 judgments 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.

Auditors' 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 judgment, 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



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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Matter

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

Non generation of adequate revenue to ensure regular payment of expenses, statutory dues inclusive of Tax Deducted at Source and repayment of loan from Holding Company.
Despite the foregoing, these accounts have been prepared on a going concern basis as explained in Note No. 14

Our Opinion is not modified in all respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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, the Statement of Profit and Loss and the 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on 31st March, 2016 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 does not have any pending litigations which would impact its financial position.
- (ii) The company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Mukul M. Patel

MUKUL M. PATEL
Partner
Membership Number 032489



Place: Mumbai
Date : 25th May, 2016

Annexure "A" to the Independent 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, no material discrepancies were noticed on such verification.
 - (c) The Company does not own any immovable property and hence, clause 3(i)(c) of the Order is not applicable.
- (ii) Considering the nature of the business of the Company is not required to purchase any inventory and hence, the clause 3(ii) of the Order is not applicable
- (iii) The Company has not granted any loans to parties, covered in the register maintained under section 189 of the Act, and hence, clause 3(iii) of the Order is not applicable.
- (iv) The Company has not granted loans to directors directly or indirectly and also no investment has made by the Company and hence, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public and hence, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations obtained, the Company is not required to maintain cost records as prescribed under Section 148(1) of the Act pursuant to the Companies (Cost Accounting Records) Rules 2013 notified by the Central Government of India vide notification dated 1 April 2014.
- (vii) In respect of statutory dues:
- (a) The Company is generally regular in depositing undisputed applicable statutory dues, *except tax deducted at source of Rs. 745,544/- which is outstanding as of the year-end for a period of more than six months from their due dates of payment.*
 - (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year and hence, clause 3(viii) of the Order is not applicable.



- (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 give 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 the 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 standards (Refer Note 19).
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence, clause 3(xiv) of the Order is not applicable.
- (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 of the Company it 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 Registration Number 107556W



Mukul M. Patel
Partner
Membership Number 032489



Place: Mumbai
Date: 25th May, 2016

Annexure- B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **ARSHIYA TRANSPORT AND HANDLING LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone 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 Institute of Chartered Accountants of India. 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 expenditures 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 31 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 Institute of Chartered Accountants of India.

For M. A. Parikh & Co.

Chartered Accountants

Firm Registration Number 107556W



Mukul M. Patel

Partner

Membership Number 032489



Place: Mumbai

Date: 25th May, 2016



Arshiya Transport and Handling Limited

Financial Statement for the

Financial Year 2015-16

Arshiya Transport and Handling Limited
Balance Sheet as at 31st March, 2016

(Amount in ₹)

Particulars	Note No	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	3	500,000	500,000
Reserves & Surplus	4	(105,680,644)	(105,369,640)
		(105,180,644)	(104,869,640)
NON-CURRENT-LIABILITIES			
Long -Term Borrowings	5	104,920,823	103,837,371
		104,920,823	103,837,371
CURRENT LIABILITIES			
Trade Payables	6		
Total outstanding dues of creditors other than micro enterprises and small enterprises		65,774	65,774
Other Current Liabilities	7	1,939,439	2,717,404
		2,005,213	2,783,178
Total		1,745,393	1,750,909
ASSETS			
NON-CURRENT ASSETS			
FIXED ASSETS			
Tangible Assets	8	-	3,074
		-	3,074
CURRENT ASSETS			
Trade Receivables	9	1,674,800	1,674,800
Cash and Cash Equivalents	10	70,592	73,035
		1,745,392	1,747,835
Total		1,745,392	1,750,909

Summary of Significant Accounting Policies
See accompanying notes to the financial statements.

2
1 to 21

For M. A. Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W

Mukul Patel

Mukul Patel
Partner
Membership No. 32489



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

Ajay S Mittal

Ajay S Mittal
Director
DIN No.00226355

Navnit Choudhary

Navnit Choudhary
Director
DIN No.00613576



Place: Mumbai
Date: 25th May 2016

Arshiya Transport and Handling Limited
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
Revenue from Operations		-	-
Total		-	-
EXPENDITURE:			
Finance Cost	11	207,479	281,645
Depreciation	8	3,074	162,528
Other Expenses	12	89,090	3,618,516
Total		299,643	4,062,689
Loss before Prior Period Adjustment		(299,643)	(4,062,689)
Prior Period Adjustment	13	11,361	-
Loss for the year		(311,004)	(4,062,689)
Earnings Per Share Basic and Diluted	18	(6.22)	(81.25)

Summary of Significant Accounting Policies
See accompanying notes to the financial statements.

2
1 to 21

As per our report of even date

For M. A. Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W

Mukul Patel

Mukul Patel
Partner
Membership No. 32489



For and on behalf of Board of Directors of
Arshiya Transport and Handling Limited

Ajay S Mittal

Ajay S Mittal
Director
DIN No.00226355

Navnit Choudhary

Navnit Choudhary
Director
DIN No.00613576

Place: Mumbai
Date: 25th May 2016



Arshiya Transport and Handling Limited
Cash Flow statement for the year ended 31st March, 2016

(Amount in ₹)

Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015
A. Cash Flow from Operating Activities		
Loss for the year	(311,004)	(4,062,689)
Adjusted for:		
Depreciation	3,074	162,528
Finance Charges	207,479	281,645
Operating Loss before Working Capital Changes	(100,451)	(3,618,516)
Adjusted for:		
Decrease in Current Liabilities	(932,500)	(394,475)
Decrease in Trade Payables	-	(933,857)
Decrease in Trade Receivables	-	990,570
Net Cash from Operating Activities	(1,032,951)	(3,956,278)
B. Cash Flow from Financing Activities		
Long term borrowing	1,083,451	3,351,547
Finance Charges	(52,943)	(39,313)
Net Cash Flow from Financing Activities	1,030,508	3,312,234
Net Decrease in Cash & Cash Equivalents (A+B)	(2,443)	(644,044)
Cash and Cash Equivalents as at the beginning of the year	73,035	717,079
Cash and Cash Equivalents as at the end of the year	70,592	73,035

As per our report of even date

For M. A. Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W



Mukul Patel
Partner
Membership No. 32489

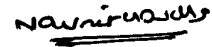
Place: Mumbai
Date: 25th May 2016



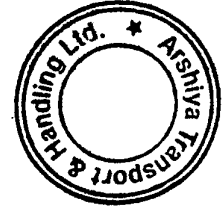
For and on behalf of Board of Directors of
Arshiya Transport and Handling Limited



Ajay S Mittal
Director
DIN No.00226355



Navnit Choudhary
Director
DIN No.00613576



Arshiya Transport and Handling Limited
Notes to financial statements for the year ended 31st March, 2016

1 Corporate Information

Arshiya Transport and Handling Limited 'the Company', was incorporated on 5th March, 2010 to engage in the business of transport and handling of containers/goods within India including movement of containers, cargo, goods trains using Indian Railway Network and also to acquire, procure, obtain, on lease/license or otherwise container trains, rakes, wagons, bogies and create, develop or obtain on lease/license basis Railway sidings, Rail yards and Warehouse required for business of the Company.

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 with mandatory 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 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.

(b) 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.

(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.

(iv) Depreciation and Amortization

(a) Depreciation on tangible fixed assets is provided on straight-line method at the rate and manner in accordance with Schedule II of the Companies Act, 2013.

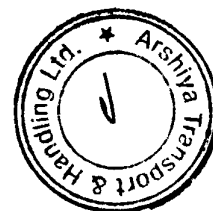
(b) Amortisation of intangible assets is provided on a straight-line basis over a period of three to six years from the date of its implementation based on management's estimate of useful life over which economic benefits will be derived from its use.

(v) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Income from Services

Revenue from Transport Operations is accounted on commencement of journey for movement of cargo/container to the place of destination considering the same as substantial completion of contract. Revenue from Handling Operations is recognized on the basis of loading/unloading of container/cargo, considering the same as substantial completion of contracted services.



Arshlya Transport and Handling Limited
Notes to financial statements for the year ended 31st March, 2016

(vi) 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.

(vii) 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 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 Company and the assets can be measured reliably.

(viii) Provisions, Contingent Liability and 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 obligations that 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.

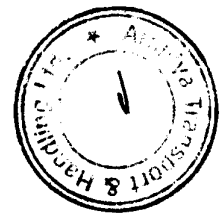
(ix) Earnings per Share (EPS)

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.

(x) 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.

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



Arshiya Transport and Handling Limited
Notes to financial statements for the year ended 31st March, 2016

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
3. Share Capital		
Authorised		
50,000 (Previous Year -50,000) Equity Shares of ₹ 10/- each	500,000	500,000
Issued, Subscribed and fully paid-up		
50,000 (Previous Year -50,000) Equity Shares of ₹ 10/- each fully paid-up	500,000	500,000
Total	500,000	500,000

(a) Terms/rights attached to the Equity Shares

The Company has one class of equity shares having a par value of ₹ 10/- 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 in 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 the Equity shares outstanding as at the beginning and end of the year.

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	₹	Number	₹
As at the beginning of the year	50,000	500,000	50,000	500,000
As at the end of the year	50,000	500,000	50,000	500,000

(c) Shares held by the Holding Company

(Amount in ₹)

Name of the Shareholder	As at 31st March, 2016	As at 31st March, 2015
Arshiya Limited *	50,000	50,000
Total	50,000	50,000

(d) Details of shares held by the shareholders holding more than 5% of the Equity shares in the Company

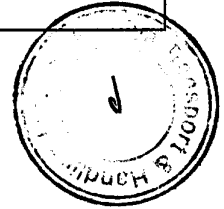
(Amount in ₹)

Name of the Shareholder	As at 31st March, 2016	As at 31st March, 2015
Arshiya Limited * (100%)	50,000	50,000
Total	50,000	50,000

*** Notes :-**

(i) Shares held by the Holding Company include 200 shares fully paid up, held through declaration of beneficial interest as per section 89 of the Companies Act, 2013.

(ii) As per Records of the Company, including its register of shareholders/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



Arshiya Transport and Handling Limited		
Notes to financial statements for the year ended 31st March, 2016		
Particulars	(Amount in ₹)	
	As at 31st March, 2016	As at 31st March, 2015
4. Reserves & Surplus		
Surplus in the Statement of Profit & Loss		
Balance as at beginning of the year	(105,369,640)	(100,951,727)
Loss for the year	(311,004)	(4,062,689)
Adjustment for Depreciation	-	(355,224)
Balance as at end of the year	(105,680,644)	(105,369,640)
5. Long -Term Borrowings		
Unsecured		
Interest free unsecured loan from Holding Company	104,920,823	103,837,371
Total	104,920,823	103,837,371
6. Trade Payables		
Trade payables (Refer Note No. 20)		
Total outstanding dues of creditors other than micro enterprises and small enterprises		
	65,774	65,774
Total	65,774	65,774
7. Other Current Liabilities		
Employee dues	151,156	151,156
Statutory dues	745,544	1,521,807
Interest payable on delayed payment of statutory dues	862,061	707,525
Provison for expenses	180,678	336,916
Total	1,939,439	2,717,404

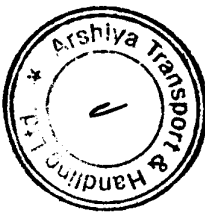


Arshiya Transport and Handling Limited
Notes to financial statements for the year ended 31st March, 2016

8. Fixed Assets

(Amount in ₹)

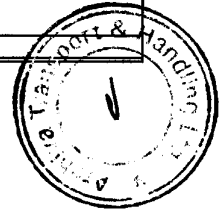
Particulars	Gross Block		Depreciation				Net Block	
	As at 1st April 2015	As at 31st March 2016	As at 1st April 2015	Depreciation during the year	Adjustment	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
Tangible Assets								
Computers	867,495	867,495	864,421	3,074	-	867,495	-	3,074
Previous Year	867,495	867,495	346,669	162,528	355,224	864,421	3,074	-



(Amount in ₹)		
Particulars	As at 31st March, 2016	As at 31st March, 2015
9. Trade Receivables		
Unsecured considered good		
Debts outstanding for period exceeding six months	1,674,800	1,674,800
Total	1,674,800	1,674,800
10. Cash and Cash Equivalents		
Balances with Banks	70,592	73,035
Total	70,592	73,035

Arshiya Transport and Handling Limited
Notes to financial statements for the year ended 31st March, 2016

(Amount in ₹)		
Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015
11. Finance Cost		
Interest on delayed payment of statutory dues	205,036	281,383
Bank Charges	2,443	262
Total	207,479	281,645
12. Other Expenses		
Legal and Professional fees	2,375	3,510,288
Auditors' Remuneration		
Audit fees	74,425	56,180
Other services	-	5,618
Miscellaneous expenses	12,290	46,430
Total	89,090	3,618,516
13. Prior Period Adjustment		
Legal and Professional fees	11,361	
Total	11,361	



Arshiya Transport and Handling Limited
Notes to financial statements for the year ended 31st March, 2016

14 The financial statements of the Company have been prepared on a "Going Concern" basis in view of the Revival Plan referred to note no. 15.

15 Revival Plan

The Management expects to revive and revamp the business operations of the Company by: Holding Company is showing increase in turnover year by year and Fellow subsidiary Arshiya Industrial & Distribution Hub Limited is also starting Inland Container Depot (ICD) at Khurja. Management has intentioned that transportation business will be managed by this Company that will help it to recover its losses.

16 Withdrawal of Scheme of Amalgamation

The Scheme of Amalgamation of Arshiya Northern FTWZ Limited and Arshiya Industrial & Distribution Hub Limited with the Company has been withdrawn in the court.

17 Taxation

17.1 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.

17.2 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.

18 Earnings per Share (EPS)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
Loss for the year (₹)	(311,004)	(4,062,689)
Number of Equity Shares	50,000	50,000
Nominal Value Per Share (₹)	10	10
Basic and Diluted EPS (₹)	(6.22)	(81.25)

19 Related Party disclosures, as required by Accounting Standard 18 " Related party Disclosures" as given below

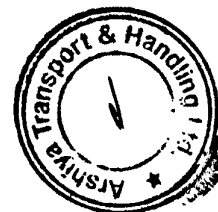
Arshiya Limited	Holding Company
Mr. Ajay S Mittal - Director Mr. Navnit Choudhary - Director Mr. Binu Jacob - Director (w.e.f. 27/12/2015)	Key Management Personnel

Note: The related party relationships have been determined by the management on the basis of 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	Holding Company	
	31st March, 2016	31st March, 2015
Unsecured Loan		
Loan Received	1,083,452	3,351,547
Balance as at year end		
Unsecured Loan	104,920,823	103,837,371



Arshiya Transport and Handling Limited
Notes to financial statements for the year ended 31st March, 2016

20 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

S. No.	Description	As at 31st March 2016	As at 31st March 2015
a)	Principal amount due and remaining unpaid	-	-
b)	Interest due on above	-	-
c)	Payment made beyond the appointed day during the year the interest specified under this Act.	-	-
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.

21 Previous year's figures have been regrouped, reclassified, rearranged and recast wherever necessary to conform to those of current year classification/disclosures.

Signatures to Notes forming part of Financial Statements

For M.A.Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W

Mukul Patel

Mukul Patel
Partner
Membership No. 32489

Place: Mumbai
Date: 25th May 2016



For and on behalf of Board of Directors of
Arshiya Transport and Handling Limited

Ajay S Mittal

Ajay S Mittal
Director
DIN No.00226355

Navnit Choudhary

Navnit Choudhary
Director
DIN No.00613576



M. A. PARIKH & CO.

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of Arshiya Technologies (India) Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **ARSHIYA TECHNOLOGIES (INDIA) PRIVATE 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 significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Director is 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 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 judgments 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.

Auditors' 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 judgment, 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 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' 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, the Statement of Profit and Loss and the 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(91)

- (e) On the basis of written representations received from the directors as on 31st March, 2016 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 does not have any pending litigation which would impact its financial position.
 - (ii) The Company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

- (i) The Company does not have any fixed assets and hence, Clause 3(i) of the Order is not applicable.
- (ii) Considering the nature of the business of the Company is not required to purchase any inventory and hence, clause 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loans to any party, covered in the register maintained under section 189 of the Act, and hence, clause 3(iii) of the Order is not applicable.
- (iv) The Company has not granted any loan to directors directly or indirectly and also no investment has made by the Company and hence, clause 3(iv) of the Order is not applicable.
- (v) The company has not accepted any deposits from the public and hence, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations obtained, the Company is not required to maintain cost records as prescribed under Section 148(1) of the Act pursuant to the Companies (Cost Accounting Records) Rules 2013 notified by the Central Government of India vide notification dated 1 April 2014.
- (vii) In respect of statutory dues:
 - (a) According to the information and explanations given to us and according to the books and records as produced before us, in our opinion, there is no delay in payment of tax deducted at source by the Company.
 - (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year and hence, clause 3(viii) of the Order is not applicable.
- (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.

91

- (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 give 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 the 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 standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (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 of 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 Reg. No. 107556W



Mukul M. Patel
Partner
Membership No. 32489
Place: Mumbai
Date: 25th May, 2016



Annexure- B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED** ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone 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 Institute of Chartered Accountants of India. 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 expenditures 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.

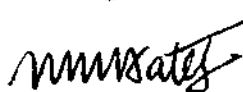
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 Institute of Chartered Accountants of India.

For M. A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W



Mukul M. Patel
Partner
Membership No. 32489



Place: Mumbai
Date: 25th May, 2016



Arshiya Technologies (India) Private Limited

Financial Statement for the

Financial Year 2015-16

Arshiya Technologies (India) Private Limited
Balance Sheet as at 31st March, 2016

(Amount in ₹)

Particulars	Note No	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	3	1,011,580	1,011,580
(b) Reserves and Surplus	4	142,062	228,772
		1,153,642	1,240,352
2. Current Liabilities			
(a) Other Current Liabilities	5	94,300	63,448
		94,300	63,448
Total		1,247,942	1,303,800
II. ASSETS			
1. Current Assets			
(a) Cash and Cash Equivalents	6	1,247,942	1,303,800
		1,247,942	1,303,800
Total		1,247,942	1,303,800

Summary of Significant Accounting Policies
 See accompanying notes to the financial statements

2
 1 to 12

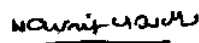
For M. A. Parikh & Co
 Chartered Accountants
 Firm Registration No. 107556W



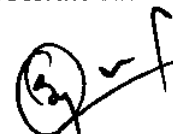
Mukul Patel
 Partner
 Membership No.: 32489



For and on behalf of Board of Directors of
 Arshiya Technologies (India) Private Limited

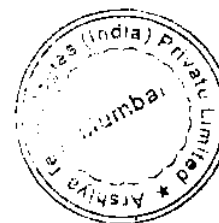


Navnit Choudhary
 Director
 DIN No: 00613576



Binu Jacob
 Director
 DIN No: 06670062

Place: Mumbai
 Date: 25th May, 2016



Arshiya Technologies (India) Private Limited
Statement of Profit and Loss for the year ended 31st March, 2016

(Amount in ₹)

Particulars	Note No	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Revenue from operations		-	-
Total		-	-
Expenses			
Other expenses	7	86,710	79,246
Total		86,710	79,246
Loss for the year		(86,710)	(79,246)
Earnings Per Share			
Basic and Diluted	9	(0.86)	(0.78)

Summary of Significant Accounting Policies
 See accompanying notes to the financial statements.

2
 1 to 12

As per our report of even date

For M.A.Parikh & Co.
 Chartered Accountants
 Firm Registration No. 107556W

Mukul Patel

Mukul Patel
 Partner
 Membership No.: 32489

SM

For and on behalf of Board of Directors of
 Arshiya Technologies (India) Private Limited

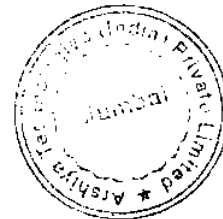
Navnit Choudhary

Navnit Choudhary
 Director
 DIN No:00613576

Binu Jacob

Binu Jacob
 Director
 DIN No: 06670062

Place: Mumbai
 Date: 25th May, 2016



Arshiya Technologies (India) Private Limited
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 for the year	(86,710)	(79,246)
Change in current assets and liabilities		
Increase in short term loans and advances	-	1,000,000
Increase in current liabilities	30,852	3,897
Net Cash Flow from Operating Activities	(55,858)	924,651
Cash and Cash Equivalents as at the beginning of the year	1,303,800	379,149
Cash and Cash Equivalents as at the end of the year	1,247,942	1,303,800

For M.A.Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W



Mukul Patel
Partner
Membership No.: 32489



Place: Mumbai
Date: 25th May, 2016

For and on behalf of Board of Directors of
Arshiya Technologies (India) Private Limited



Navnit Choudhary
Director
DIN No:00613576



Binu Jacob
Director
DIN No: 06670062



Arshiya Technologies (India) Private Limited
Notes to financial statements for the year ended 31st March, 2016

1 Corporate Information

Arshiya Technologies (India) Private Limited 'the Company', was incorporated on 26th October, 2007 to engage in the business of providing planning, consultancy, training and implementation of logistics software products, electronics commercial solutions and all kinds of information technology related support services and related consultancy services and providing any other services in relation to the maintenance of such software.

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 with mandatory 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) Revenue Recognition

- (a) Revenue from Sale of user licences for software application is recognised on the transfer of the title of the user licences.
- (b) Revenue from consultancy services related to the information technology is recognised when the services are rendered, upon completion of the actual service performed

(iv) 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 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 Company and the assets can be measured reliably.

(v) 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 obligations that 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.

(vi) Earnings per Share:

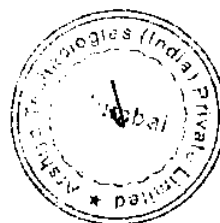
Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed and disclosed using the weighted average number of equity and diluted equivalent shares outstanding during the year, except when the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

(vii) 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.

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

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Arshiya Technologies (India) Private Limited
Notes to financial statements for the year ended 31st March, 2016

(Amount in ₹)

Particulars	As at	As at
	31st March, 2016	31st March, 2015
3. Share Capital		
Authorised 2,50,000 (Previous Year 2,50,000) Equity shares of ₹10/- each	2,50,000	2,50,000
Issued, Subscribed and Paid up 1,01,158 (Previous Year 1,01,158) Equity shares of ₹10/-each fully paid up	1,01,158	1,01,158
Total	1,01,158	1,01,158

a) Terms/rights attached to the equity shares :

The Company has only one class of equity share having par value of ₹ 10/- 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 the 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 the shares outstanding as at the beginning and end of the year :

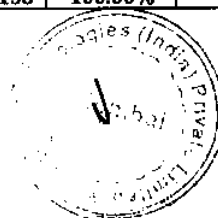
Particulars	As at		As at	
	31st March, 2016		31st March, 2015	
	Equity Shares			
	Number	₹	Number	₹
Balance as at the beginning of the year	101,158	1,011,580	101,158	1,011,580
Balance as at the end of the year	101,158	1,011,580	101,158	1,011,580

c) Shares held by Holding/Ultimate Holding Company

Particulars	As at	As at
	31st March, 2016	31st March, 2015
Equity Shares		
1. 91,158 (Previous Year 91,158) equity shares are held by the Holding Company viz Cyberlog Technologies International Pte Limited	91,158	91,158
2. 10,000 (Previous Year 10,000) equity shares are held by the Ultimate Holding Company viz Arshiya Limited	10,000	10,000
Total	101,158	101,158

d) Details of shares held by the shareholders holding more than 5% of aggregate shares in the company

Name of Shareholders	As at		As at	
	31st March, 2016		31st March, 2015	
	Number	%	Number	%
Equity Shares				
1. Cyberlog Technologies International Pte Ltd (Holding Company)	91,158	90.11%	91,158	90.11%
2. Arshiya Limited (Ultimate Holding Company)	10,000	9.89%	10,000	9.89%
Total	101,158	100.00%	101,158	100.00%

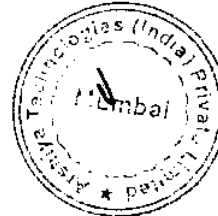


Arshiya Technologies (India) Private Limited
Notes to financial statements for the year ended 31st March, 2016

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
4. Reserves and Surplus		
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	228,772	308,018
Loss for the year	(86,710)	(79,246)
	142,062	228,772
Balance as at the end of the year	142,062	228,772
5. Other Current Liabilities		
Other Creditors (Refer Note No. 10)	94,300	63,448
Total	94,300	63,448
6. Cash and Cash Equivalents		
Cash on Hand	104	104
Balances with Bank	1,247,838	1,303,696
Total	1,247,942	1,303,800
Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015
7. Other Expenses		
Legal and Professional fees	2,500	18,500
Auditor's Remuneration - Audit fees	51,525	21,348
Miscellaneous expenses	32,685	39,398
Total	86,710	79,246

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Arshiya Technologies (India) Private Limited
Notes to financial statements for the year ended 31st March, 2016

8 Related Party Disclosures:

List of Related Parties

Ultimate Holding Company

- Arshiya Limited

Enterprises over which Key Managerial Personnel (KMP) exercise significant control:

- Mega Management Services Private Limited

Key Managerial Personnel

Mr. Navnit Choudhary - Director

Mr. Binu Jacob - Director

Note: The related party relationships have been determined by the management on the basis of requirements of AS-18 and the same have been relied upon by the auditors.

Transactions with Related Parties:

(Amount in ₹)

Nature of Transactions	Ultimate holding Company	
	As at 31st March, 2016	As at 31st March, 2015
Opening Balance	28,094	-
Loan taken	-	28,094
Loan repaid	(28,094)	-
Advance given for expenses	(1,284,044)	-
Expenses incurred on behalf of the Company	39,674	-
Refund of Advance given for expenses	1,244,370	-
Closing Balance	-	28,094

Enterprises over which KMP exercise significant control

Nature of Transactions	As at	As at
	31st March, 2016	31st March, 2015
Share Application Money Given	-	1,000,000
Share Application Money (during the year)	-	300,000
Refund Received during the year	-	1,300,000
Closing Balance	-	-

9 Earnings per share (EPS)	As at	As at
	31st March, 2016	31st March, 2015
Loss for the year (₹)	(86,710)	(79,246)
Number of Equity Shares	101,158	101,158
Nominal value per share (₹)	10	10
Basic and Diluted EPS (₹)	(0.86)	(0.78)

10 Due to Micro and Small Enterprises

S. No.	Description	31st March 2016	31st March 2015
a)	Principal amount due and remaining unpaid	-	-
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: Due 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.

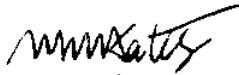


Arshiya Technologies (India) Private Limited
Notes to financial statements for the year ended 31st March, 2016

- 11 Taxation**
11.1 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.
- 11.2** 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.
- 12** 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

As per our report of even date
For M.A.Parikh & Co.
Chartered Accountants
Firm Registration No. 107556W

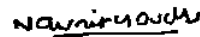


Mukul Patel
Partner
Membership No.: 32489

Place: Mumbai
Date: 25th May, 2016



For and on behalf of Board of Directors of
Arshiya Technologies (India) Private Limited



Navnit Choudhary
Director
DIN No:00613576



Binu Jacob
Director
DIN No: 06670062

