ANNUAL REPORT 2018

Arshiya

Redefining Supply Chain for Global Players in India

CONTENTS

CORPORATE INFORMATION

BOARD MEMBERS

(As on 31st May 2018)

Mr. Ajay S Mittal - Chairman and Managing Director

Mrs. Archana A Mittal - Joint Managing Director

Mr. Ashishkumar Bairagra - Non-Executive Independent Director

Mr. Rishabh Shah - Non-Executive Independent Director

Mr. Mukesh Kacker-Non- Executive Independent Director

Mr. T. S. Bhattacharya – Additional Non - Executive Independent Director

(Appointed w.e.f 24th May, 2018)

Mr. Ananya A Mittal- Chief Strategy Officer

Ms. Savita Dalal- Company Secretary & Compliance Officer

Mr. S Maheshwari - Group president & CFO

LIST OF BANKERS

Axis Bank

Bank of India

Corporation Bank

ICICI Bank

Punjab National Bank

AUDITORS
M/s. Chaturvedi & Shah, Chartered Accountants
Statutory Auditors
714/715, Tulsiyani Chembars, 212, Nariman Point, Mumbai – 400021

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

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

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

REGISTRAR & SHARE TRANSFER AGENT
Big Share Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai - 400059.
Tel : 91 22 62638200
Fax: +91 22 62638299
Email : info@bigshareonline.com

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

NOTICE

NOTICE IS HEREBY GIVEN THAT the 37th Annual General Meeting (AGM) of the Members of Arshiya Limited to be held on Tuesday, September 18, 2018 at 3:00 P.M. at Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai- 400 018 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 together with the reports of the Board of Directors' and of the Auditors thereon.

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

3. **Ratification for Appointment of Statutory Auditor:**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment thereto or re-enactment(s) thereof for the time being in force) appointment of M/s. Chaturvedi & Shah, Chartered Accountants having Firm Registration No. 101720W as Statutory Auditors of the Company to hold office for a period of Five years from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting to be held in the year 2022, on such remuneration as may be agreed upon by Board of Directors and Auditors, be and is hereby ratified.''

SPECIAL BUSINESS:

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

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Prashant Karlekar & Associates, Cost Accountants, (Firm Registration Number 16075), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, be paid a remuneration, for the Financial Year ended March 31, 2018, amounting to ₹ 60,000/- (Rupees Sixty Thousand only) plus taxes as applicable.

5. **Appointment of Mr. T. S. Bhattacharya as Independent Director**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. T. S. Bhattacharya (DIN: 00157305), who has been appointed as an Additional Director (Independent) by the Board of Directors with effect from May 24, 2018, in terms of Section 161 of the Act and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from May 24, 2018 for a period of 5 years i.e. until May 23, 2023 as his First Term of Appointment", not liable to retire by rotation."

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

By Order of the Board of Directors of
Arshiya Limited

Savita Dalal
Company Secretary

Date: May 24, 2018
Place: Mumbai

NOTES

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

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

3. Explanatory Statement under Section 102 of the Companies Act, 2013, in respect of the Special Business at Item No. 4 and 5 of the accompanying Notice is annexed hereto.

4. A profile of the Director seeking Re- appointment/appointment as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is given as ***Annexure – I & Annexure- II*** respectively.

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

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

7. The Register of Members and Share Transfer Books will remain closed from September 14, 2018 to September 18, 2018 (both days inclusive).

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

9. Pursuant to the applicable provisions of Companies Act, 2013 the Company has transferred on due dates, the unpaid and unclaimed dividend amount for the financial year ended March 31, 2010 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 26, 2017 (date of last Annual General Meeting) on the website of the Company (www.arshiyalimited.com) as also on the Ministry of Corporate Affairs Website.

   The details of dividend declared are given below:

Date of Declaration	For Financial Year	Dividend Per share (₹)	Due Date of the proposed transfer to the IEPF
20.09.2011	2010-11	1.20	November 1, 2018
18.09.2012	2011-12	1.40	October 29, 2019

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

11. Electronic copy of the Annual Report for the year 2017-18 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) and have given their consent to receive the same through electronic means. Members other than above, physical copies of the Annual Report are being sent by the permitted mode.

12. Electronic copy of the Notice of the 37th Annual General Meeting of the Company, inter-alia, indicating the process and manner for e-voting, along with the Attendance Slip and Proxy Form is being sent by electronic mode to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same. Members other than above, physical copies of the Notice of the 37th Annual general Meeting of the Company, inter-alia, indicating the process and manner for e-voting, along with the Attendance Slip and Proxy Form is being sent by the permitted mode.

13. Members may also note that the Notice of the 37th Annual General Meeting and the Annual Report for the year 2017-18 will be available on the website of the Company www.arshiyalimited.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered office on all working days (except 2nd & 4th Saturdays, Sundays and Public Holidays) between 11:00 a.m. to 1:00 p.m.

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

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

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

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

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

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

20. Members are requested to send all the correspondence concerning registration of transfers, transmissions, subdivision, consolidation of share certificates or any other share related matters to M/s. Bigshare Services Private Ltd., Registrar & Share Transfer Agents, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai 400059.

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

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

    a. The change in the residential status upon return to India for permanent settlement;

    b. The particulars of the bank account maintained in India with complete name, branch, account type, account number and address of the bank with postal index number.

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

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

    (I) The voting through electronic means will commence on Saturday, September 15, 2018 at 10:00 a.m. and will end on Monday, September 17, 2018 at 5:00 p.m. The Members will not be able to cast their vote electronically beyond the date and time mentioned above. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Wednesday, September 12, 2018 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(II) The Company has appointed Mr. Mohammad Aabid, Partner of M/s. Aabid & Co., Practising Company Secretary to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

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

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

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

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

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

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

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

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

(iii) Click on Shareholder – Login.

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

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

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

(vii) Select "EVEN" of Arshiya Limited viz.: ____________

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

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

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

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

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

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

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

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

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

i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.

ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

ANNEXURE TO THE NOTICE OF THE 37TH ANNUAL GENERAL MEETING

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

Item No. 4

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. Prashant Karlekar & Associates, Cost Accountants (Firm Registration No. 16075), to conduct the audit of the cost records of the Company for the financial year ended March 31, 2018 at a remuneration of ₹ 60,000/- (Rupees Sixty Thousand only) per annum plus applicable taxes and reimbursement of out of pocket expenses, subject to ratification by members.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify/ approve the remuneration payable to the Cost Auditors during the year 2017-18, as set out in the Resolution for the aforesaid services to be rendered by them.

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

The Resolution is recommended for your approval.

Item No. 5

The Company had, pursuant to the provisions of Section 161 of the Act and applicable rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 appointed Mr. T. S. Bhattacharya DIN 00157305) as Additional Director (Independent Director) holding office upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Bhattacharya as Independent Directors of the Company.

The Nomination & Remuneration Committee has recommended and the Board has approved the reappointment of Mr. Bhattacharya as Independent Director as per their letter of appointment for a period of Five years w.e.f. May 24, 2018. Mr. Bhattacharya, has given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Mr. Bhattacharya fulfil the conditions specified in the Act and the rules framed thereunder for appointment/re-appointment as Independent Director and he is Independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 the appointment of Mr. Bhattacharya as Independent Directors is now being placed before the Members for their approval.

All the relevant documents of the appointment of Mr. Bhattacharya as an Independent Director of the Company shall be open for inspection by the Members at the Registered Office of the Company between 10:00 am to 1:00 pm on all working days (Monday to Friday) except Saturdays, Sundays and public holidays upto the date of Annual General Meeting. Kindly refer report on Corporate Governance for information in respect of appointment of Mr. Bhattacharya, pursuant to the Secretarial Standard on General Meetings and regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A brief profile of the Independent Directors to be appointed is given in ***Annexure II*** to the Notice

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

Date: May 24, 2018
Place: Mumbai

By Order of the Board of Directors of
Arshiya Limited

Savita Dalal
Company Secretary

ANNEXURE- I

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

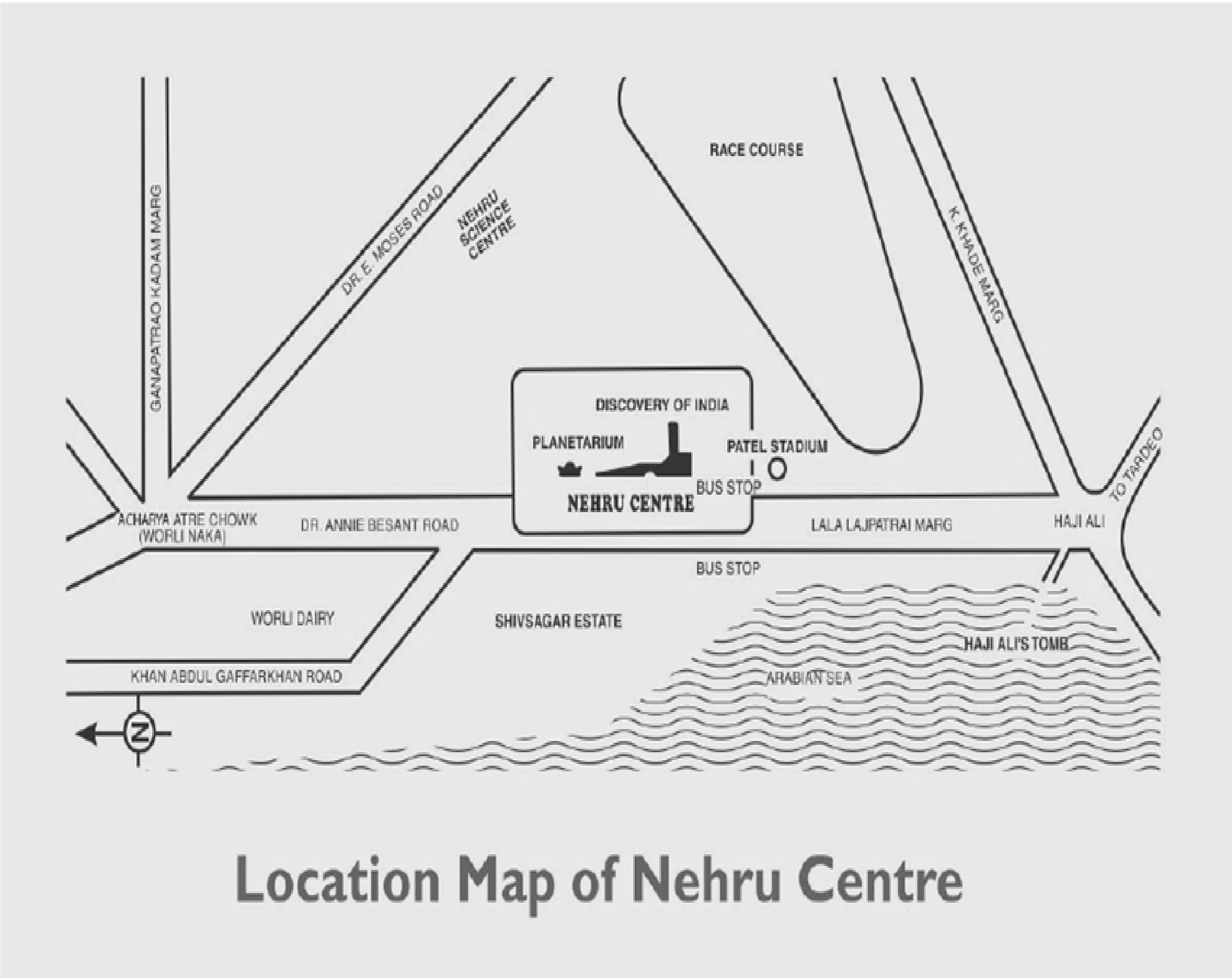
Name of the Director	Mr. Ajay S Mittal
Director Identification Number	00226355
Date of Birth	28th June, 1965
Date of Appointment on the Board	December 31, 2005
Qualification	MBA from the United States
Expertise	Mr. Mittal is the key driving force behind Arshiya's growth into India's first fully integrated supply chain management and logistics infrastructure solutions company. With over three decades of experience, Mr. Mittal has successfully scaled Arshiya Limited by developing Free Trade Warehousing Zones (FTWZs), Rail & Rail Infrastructure, Industrial & Domestic Hub, and Transport & Handling to its unified business portfolio.
Directorship held in other companies	• Arshiya Limited • Arshiya Rail Infrastructure Limited • Arshiya Northern FTWZ Limited • Arshiya Industrial & Distribution Hub Limited • Arshiya Transport and Handling Limited • Mega Custodial Services Limited • Mega Capital Broking Private Limited. • Mega Meditex Limited* • Mega Fin (India) Limited • Mega Safe Deposit Vaults Private Limited*
Committee position held in other companies	• Arshiya Industrial & Distribution Hub Limited • Mega Fin (India) Limited
Shareholding of Director As on March 31, 2018	3,70,60,937

*Said Companies are under liquidation.

ANNEXURE- II

Name	Mr. T. S. Bhattacharya
DIN	00157305
Date of Birth	January 24, 1948
Date of Appointment on the Board as an additional Director	May 24, 2018
Qualification	Mr. Bhattacharya is M.Sc. in Nuclear Physics, Associate of Saha Institute of Nuclear Physics and a Post Graduate in Management Studies.
Expertise	Apart from his comprehensive exposure to national banking, Mr. Bhattacharya brings with him a varied and significant experience in international banking. He has held the posts of the Head, International Merchant Banking and the International Correspondent Departments, at the Corporate Office. As his offshore postings, he has worked at SBI Office, Singapore, and headed the Representative Offices of SBI at Djakarta and Indonesia.
Experience	With over 36 years of distinguished service to the State Bank of India (SBI), since 1969, Mr. Bhattacharya has made a mark in the field of banking and finance. In his career spanning over three decades, he has held a variety of critical and challenging assignments in the banking sector and executed them with excellence. He was appointed Managing Director, State Bank of India on 28th February, 2005. Prior to this, he has held the post of MD, State Bank of Indore, an Associate Bank of the State Bank Group.

Site Map to the venue



DIRECTORS' REPORT

Dear Members,

It gives us immense pleasure to share with you the highlights of the developments and the progress that your company has achieved so far under Thirty-Seventh Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2018.

1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Financial Year Ended	Financial Year Ended	Financial Year Ended	Financial Year Ended
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Income from Operations	8,542.02	8,073.39	25,906.69	26,885.14
Total Expenditure	3,109.68	2,864.83	22,143.40	23,184.79
Operating Profit/(Loss)	5,432.34	5,208.56	3,763.29	3,700.35
Other Income	1,020.09	974.73	1,665.19	633.82
Profit before interest, depreciation, amortization, exceptional item and tax	6,452.43	6,183.29	5,428.48	4,334.17
Finance Cost	12,458.52	13,049.51	29,655.06	29,472.73
Cash Profit/(Loss)	(6,006.09)	(6,866.22)	(24,226.58)	(25,138.56)
Depreciation and Amortization Expenses	2,091.67	2,181.46	10,171.76	10,791.28
Profit/(Loss) Before Exceptional Items, Prior Period Adjustment and Tax	(8,097.76)	(9,047.68)	(34,398.34)	(35,929.84)
Exceptional Items (Net)	(13,296.84)	(2,030.04)	(39,473.20)	2,332.06
Profit/(Loss) Before Tax	5,199.08	(7,017.64)	5,074.86	(38,261.90)
Tax Expenses	-	-	27.42	2.63
Net Profit/(Loss) After Tax	5,199.08	(7,017.64)	5,047.44	(38,264.53)
Add: Other Comprehensive Income (Items that will not be re classified to profit and loss)	(2.69)	(9.03)	(9.67)	(15.14)
Total Comprehensive Income carried to other equity	5,196.39	(7,026.67)	5,037.77	(38,279.67)

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards notified under the Companies (Indian Accounting Standards) Rules 2015 (as amended).

i.) Reserves

During the year under review your company has reported a profit of ₹ 5,196.39 Lakh on standalone level and that of ₹ 5,037.77 on consolidated level which has been further carried to other Equity.

ii.) Dividend

In order to conserve & build resources towards reserves for the future growth of your company the Directors of your Company regret their inability to recommend dividend for the financial year ended 31st March, 2018.

iii.) Capital Structure

A detailed capital structure forms part of corporate governance section of this Annual Report.

iv.) Particulars of loans, guarantees or investments by Company

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

v.) Deposits

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

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

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

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

Your Company has aligned its business strategy & implementation of asset light business model wherein it was considered necessary that Capex in warehouse, be now classified as Stock in trade instead of fixed assets. Apart from the above there are no material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which this financial statements relate and on the date of this report.

2. BUSINESS AND FUTURE OUTLOOK:

Business Segments:

FREE TRADE WAREHOUSING ZONE (FTWZ)

Your Company is a pioneer and has the first mover advantage in setting up the FTWZs in the country, offering huge fiscal and other benefits to its customers.

FTWZ facility at Panvel near Mumbai, with its best in class warehousing infrastructure of global standards is in close proximity to country's busiest container port, JNPT, well connected to the National and State Highways, and the proposed International Airport in Navi Mumbai. This facility also offers a wide range of 3 PL services besides various value optimisation services to its customers.

The second FTWZ facility in NCR at Khurja, in the state of Uttar Pradesh is a part of the India's first operational integrated multi-modal logistics park including Domestic warehousing facility, 3PL services, Rail and Rail Infrastructure along with a 6 lane Private Freight and Container Rail Terminals and Inland Container Depot (ICD),.

Your Company is glad to inform that the FTWZ facility at Panvel is operating closer to full capacity and has achieved highest ever capacity utilisation. The increasing acceptance of the FTWZ with various benefits it offers is increasing and your company is witnessing increasing enquiries for bigger space. With various Government reforms and increasing economic activities in the country, the warehousing sector is witnessing increasing participation from institutional investors.

Your Company is glad to inform a successful completion of transaction with Ascendas Property Fund (India) Pte Ltd ("APFI"), moving towards an asset-light business model. Your Company has monetised six warehouses in Free Trade Warehousing Zone admeasuring 8,32,000 sq.ft located at Panvel near Mumbai by leasing them on long term basis to APFI for ₹ 534 crore. Out of this first tranch of ₹ 434 crore has been received on 3 February 2018 and the balance ₹ 100 crore to be received over 4 years in equal instalments on achieving certain milestones. APFI has further leased these warehouses on a long-term lease basis to Arshiya Lifestyle Ltd ("ALL") which is wholly owned subsidiary of your Company at pre-agreed rentals. Your subsidiary company, as a co-developer also provides various services in managing and operating these warehouses. This transaction establishes the growing acceptance of the FTWZ in the country and the intended objective of your Company to achieve an asset light model, going forward.

DOMESTIC WAREHOUSING FACILITY

Your Company is also offering domestic warehousing facility in NCR at Khurja in the State of Uttar Pradesh. This facility is part of India's first operational integrated multi-modal logistics park. This facility offers built-to-suit warehouses along with value optimisation services and first & last mile transport services to the customers on long term arrangements.

SUPPLY CHAIN MANAGEMENT

Your subsidiary Company is in the business of providing 3PL and other value optimisation services such as handling and transportation, packaging, consolidation, palletisation, labelling, kitting, bagging, bottling, cutting-slitting, survey, quality assurance, refurbishment, repairs and maintenance, washing, etc., to its various clientele. Your Company also provides Information Technology (IT) enabled services to its clients.

RAIL INFRASTRUCTURE & TRANSPORT HANDLING

Your subsidiary Company is providing the containerised Rail Transportation services on a Pan-India level with its fleet of 18 Rakes and around 3,000 containers. Your subsidiary Company has taken various initiatives to reduce empty movement, improved availability of required type of containers, cost reduction measures and improved turnaround time.

During the year, the Management of your Company reviewed the overall investment strategy of your Company in terms of overall business objectives, capital allocation, and other focus areas for investment.

In view of the above the Board of Directors of your Company considered, reviewed and approved a scheme of amalgamation between Arshiya Industrial & Distribution Hub Limited ("AIDHL") & Arshiya Transport and Handling ("ATHL") with Arshiya Rail Infrastructure Limited ("ARIL") all of which are wholly owned subsidiaries of Arshiya Limited under Sections 391 to 394 of the Companies Act, 1956 and under Section 230 to 233 of the Companies Act, 2013. Since the businesses of your subsidiary Companies complement each other; ARIL offering rail infrastructure, including modern rakes, customized containers, rail sidings, port connectivity with a pan-India presence, AIDHL providing domestic warehousing facility including value added services and Inland Container Depot ("ICD") for inward and outward movement of EXIM cargo; and ATHL facilitating the transport and handling business. The management intends to have a better synergy of the businesses, avail other common benefits and to widen the market reach of the rail and container businesses. Thus, in order to rationalize the holding structure, the management of your Company seeks to have a single consolidated entity, i.e., AIDHL and ATHL are proposed to be amalgamated with ARIL.

Further, on May 24th, 2018 your Company announced its intentions with regards to a proposed scheme of arrangement ("Scheme") that provides for a De–merger of Domestic Warehousing (DW) segment of the flagship Company Arshiya Limited into ARIL. The management of your company basis this scheme to re–organise the businesses of all the Group companies, believes that the demand in market for providing integrated services is much higher than that of providing individual services. In order to increase its revenue and cater to the needs of the market, the management of your company intends to consolidate the rail infrastructure, transport handling business, domestic warehousing segment and ICD businesses. Further, the management of your company also envisages the transfer of Domestic business of Arshiya into ARIL. However, the above scheme of Demerger is Conditional upon the aforesaid merger scheme becoming effective first.

PRIVATE FREIGHT TERMINAL

Your subsidiary Company has a 6 lane Private Freight and Container Rail Terminals in NCR at Khurja in the state of Uttar Pradesh, notified for handling all types of inward and outward cargo traffic, attracting cargo from Indian Railways and other Private Container Train Operators (PCTOs).

Your Company has improved the performance of Private Freight Terminal (PFT) segment whereby the non-containerised cargo is being handled at the Rail siding. With the large infrastructure development in the region, such as extension of Yamuna-expressway, new State highways and the proposed Jewar Airport, the utilisation of the PFT is increasing.

INLAND CONTAINER DEPOT (ICD)

Your Company's facility of Inland container depot in NCR at Khurja boasts of being the only such facility connected to the Rail network & Private Rail Siding and FTWZ providing inter-connected solution-based EXIM services. ICD also provides connectivity to major western ports, such as Mundra, Pipavav and JNPT for EXIM cargo movement.

A detailed discussion on the other focus areas is set out in the Management Discussion and analysis section, which forms integral part of this Report.

SOME OF THE KEY INITIATIVES HAVE BEEN:

- **Debt Reduction Post Restructuring**

  A majority of debt of your Company has been restructured by Banks through assignment to Edelweiss Asset Reconstruction Company Limited ("EARC"), (acting in its capacity as a trustee of various trusts in respect of debt acquired from various banks). The debt of your Company and its subsidiaries has reduced by 40% from its peak level.

The restructured debt and its proportionate conversion into equity were as informed in the notice to the extra ordinary general meeting dated 29th April, 2017. A brief summary on the allotments made during the year under review is as stated in the Governance section of this Report.

- Improving liquidity position through monetisation of warehouses so to reduce debt and liabilities of your Company.
- Improved marketing efforts attracting clients requiring large space (including full warehouse)
- Providing solutions to the e-commerce, telecom, pharmaceuticals and chemical industry which is increasing the capacity utilisation and improved demand for additional warehouses.
- The conversion of containers to side-access meeting the customer needs and improving the availability of containers.
- Cost reduction measures across all business segments.
- Improving the information technology platform to provide the IT enabled services to the clients.
- Organisational development, attracting the new talent for the day-to-day management.

Subsidiaries and Associates

During the year under review your company had certain alterations in the structure of its investment in its subsidiaries. Arshiya Supply chain Management Private Limited which was wholly owned subsidiary of Arshiya Limited has discontinued its business operations and hence management found it suitable to disinvest from that Company. As on March 31, 2018 the Company has 7 subsidiary companies, including 1 Material Subsidiary. During the year following changes have taken place in subsidiary companies.

Subsidiary Acquired:

During the year under review, your Company has acquired Laxmipati Balaji Exim trading Ltd (The name of the company has been changed to Arshiya Logistics Services Limited w.e.f. May 23, 2018)

Material Subsidiary:

Arshiya Rail Infrastructure Limited

Company ceased to be Subsidiaries:

➢ During the year under review your Company has transferred its step down subsidiary Arshiya Rail Siding and Infrastructure Limited on 3rd February, 2018

➢ Disposed –off Arshiya Supply Chain Management Private Limited, its wholly owned subsidiary on 21st March, 2018.

Consolidated Financial Statements

The financial statements of your Company are prepared in accordance with Indian Accounting Standard ("IND AS") and the guidelines issued by SEBI The IND AS are prepared under section 133 of the Companies Act, 2013 read with Rules 3 of the (Indian Accounting standards) Rules 2015 and that of Companies (Indian Accounting Standards) amendment Rules 2016, your company has adopted all the applicable standards and the adoption was carried out in accordance with applicable transition guidelines. During the year, the Board of directors reviewed the affairs of the subsidiaries. Further, in accordance with Section 129(3) of the Companies Act, 2013, your company has prepared the Consolidated Financial statements, which forms part of this Annual Report. A statement containing salient features of the financial statement of our subsidiaries in the prescribed Form No. AOC-1 is appended as an Annexure - II to the Board's Report. The Statement also provides the details of performance and financial positions of each of its subsidiaries.

Also that in accordance with Section 136 of the Companies Act, 2013, and Regulation 46 of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 ("Listing Regulations") the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website www.arshiyalimited.com.

These documents will also be available for inspection during business hours at the Registered Office in Mumbai, India.

3. CORPORATE GOVERNANCE

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

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

i.) Board Diversity

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

ii.) Number of meetings of the board

During the year Thirteen Meetings were held. The details of the meetings of the Board held during the financial year 2017-18 forms part of the Corporate Governance Report. The intervening gap between any two meetings did not exceed 120 days as prescribed by Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 & amendments thereof plus the Companies Act, 2013 & its amendments thereof.

iii.) Policy on Director's Appointment and Remuneration

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

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website http://www.arshiyalimited.com/assets/pdf/nomination-and remunerationpolicy20160407103702.pdf .There has been no change in the policy since the last Financial Year. We affirm that the Remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

iv.) Declaration by Independent Directors

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

v.) Board evaluation

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

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

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

vi.) Familiarisation Program for Independent Directors

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

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

vii.) Code of Conduct for prevention of Insider Trading

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

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

viii.) Policies

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

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

Name of the Policy	Brief Description	Web Link
Nomination and Remuneration Policy	The purpose of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.	http://www.arshiyalimited.com/assets/pdf/nomination-and-remuneration-policy20160407103702.pdf
Related Party Transaction Policy	The purpose of this policy is to regulate all transactions between the Company and its related parties.	http://www.arshiyalimited.com/assets/pdf/related-party-transaction-policy20160407103809.pdf
Code of conduct for prevention of insider trading & Code of corporate disclosure practices	The purpose of this Policy is to provide the framework for dealing in securities of the Company.	http://www.arshiyalimited.com/assets/pdf/insider-trading-code20160407090651.pdf
Policy on Material Subsidiary	The purpose of this policy is to determine the material subsidiaries and to provide the governance framework for them.	http://www.arshiyalimited.com/assets/pdf/policy-on-material-subsidiaries20160407103840.pdf
Risk management Policy	The purpose of this policy is to lay down the framework of the Risk Management.	http://www.arshiyalimited.com/assets/pdf/risk-management-policy20160407103904.pdf
Whistle Blower Policy (Policy on Vigil Mechanism)	The purpose of this policy is to provide mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	http://www.arshiyalimited.com/assets/pdf/vigil-mechanism-whistle-blower-policy20160407104143.pdf
Policy on Board Diversity	The purpose of this policy is to have optimum combination of Directors from different areas and fields.	http://www.arshiyalimited.com/assets/pdf/policy-on-board-diversity20160407104216.pdf
Archival Policy	The purpose of this Policy is to archive any of the material events or information which are disclosed by the Company to the Stock Exchanges.	http://www.arshiyalimited.com/assets/pdf/archival-policy120160613145605.pdf
Policy for determination of Materiality of any event / information	The purpose of this Policy is to determine materiality of events and information and to ensure that the Company shall make disclosure of events / information.	http://www.arshiyalimited.com/assets/pdf/policy-for-determination-of-materiality-of-any-ssssevent--information_120160613145521.pdf

Policy for preservation of documents	The purpose of this Policy is to ensure that all the necessary documents and records of the Company are adequately protected and preserved as per the statutory requirements.	http://www.arshiyalimited.com/assets/pdf/policy-for-preservation-of-documents_120160613145057.pdf
Policy on Corporate Social Responsibility	The purpose of this policy is to identify the activities wherein the Company can contribute for fulfilling its Corporate Social Responsibility.	http://www.arshiyalimited.com/arshiya/assets/pdf/csr-policy_120160620105217.pdf

ix.) Directors and Key Managerial Personnel
Appointment and Resignation

Board of Directors of the Company has an optimum combination of Promoter Directors and Non-Executive Independent Directors, who have in depth knowledge of the business and industry.

During the year review Prof. G Raghuram has resigned from the Board effective May 18th, 2017 and Mr. T. S. Bhattacharya has joined the Board of your Company as an (Additional) Independent Director w.e.f. May 24th, 2018. In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Ajay S Mittal – Managing Director retires by rotation at the ensuing Annual General Meeting and being eligible he has offered himself for re-appointment. Your Board recommends his reappointment.

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

x.) Committees of the Board

Currently the Board have Five Committees namely Audit Committee, Nomination and Remuneration Committee, Share Transfer, Investor Grievances & Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Committee of Directors. A detailed note on Board and its committees is provided in the corporate governance report section of this Annual Report.

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

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

xii.) Extract of Annual Return

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

xiii.) Internal control systems

- **Internal Control systems and their adequacy**

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

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

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

- **Internal Controls over financial reporting**

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

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

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

xiv.) Directors' responsibility statement

To the best of knowledge and belief and according to the information and explanations obtained by them, the Board pursuant to Section 134 (5) of the Companies Act, 2013, confirm that:

a.) In the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and no material departures have been made from the same.

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

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

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

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

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

4. AUDIT AND AUDITORS' REPORT

i.) Statutory Auditors

M/s. Chaturvedi & Shah, Chartered Accountants, was appointed as Statutory Auditors of the Company for a period of five year from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting to be held in the year 2022, subject to ratification by shareholders at the general meeting or as may be necessitated by the Act from time to time. Accordingly, the appointment of M/s. Chaturvedi & Shah is being placed before the shareholders for ratification.

Auditors' Report

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

Audit Report on Standalone Financial Statement

a. In respect of Non – adherence to repayment schedule of EARC and non-provision of penal interest of ₹ 1,065.92 lakh for the year ended March 31, 2018 as referred in Point (i) of Audit Report.

Though EARC has charged the penal Interest to the company, the penal interest rate was under further negotiation with the EARC in respect of waiver of penal interest and management is hopeful of waiver/reversal of the same. Therefore no provision of penal interest amount has been made in the books of accounts. With respect to the non-adherence of repayment schedule, since Company is yet to receive communication from EARC for conversion of the defaulted debt/

interest repayment obligations into equity, the Company continues to classify the restructured rupee loan in non-current and current borrowings.

b. **In respect of non-reversal of settlement gain of ₹1,719.59 lakh and not accrued interest amounting to ₹ 237.50 lakh in compliance with repayment schedule as per supplement consent terms as referred in Point (ii) of Audit Report.**

The Company has made partial payment under the consent terms and is under active negotiations with the NBFC for extension of time for balance outstanding amount. Moreover in the revised consent terms executed between the company and NBFC, past settlement gains are not mentioned yet. In view of the stated facts the company has not reversed the settlement gain recognized initially.

c. **In respect of Invocation of Corporate Guarantee of one subsidiary and no accounting impact of the same as referred in Point (iii) of Audit Report.**

The subsidiary has submitted the compromise proposal to the lenders for resolution of the debts by way of debt restructuring which is at advanced stage of acceptance by the respective lender, therefore the company do not envisage any liability on the same and considers it prudent not to provide for it at this stage. The company will re-assess the outcome of the same in forthcoming quarterly reporting and give necessary effect in the books of accounts, if any.

d. **In respect of non-depositing of Tax deducted at source of ₹ 256.43 lakh and interest on tax deducted at source amounting to ₹ 612.00 lakh, refer point no (vii) (a) of Annexure "A"**

The company is coming out of severe financial crunch and have paid large amounts of old outstanding statutory dues during the year ended 31st March, 2018 and the management is hopeful to pay all the remaining statutory dues on priority basis. Moreover in cases where the vendors/services providers/employees have paid the TDS dues at their own, the company have reimbursed these amounts to the respective vendor/service provider/employees and have maintained necessary documents in this regard for statutory compliances.

e. **In respect of defaults in repayment of outstanding dues to Financial Institution, Bank and NBFC, refer point no (viii) of Annexure "A"**

The company has made substantial repayment as agreed in amortization schedule of Restructuring Agreement (RA), sanction letter and consent terms with other lenders during the year ended March 31, 2018. Since the company is not in receipt of any adverse notice from any of the lenders (Financial Institutions, Bank and NBFC) the company does not foresee necessity for any provision for the same at this stage as the company is hopeful of fulfilling its repayments obligations to lenders in future considering the various measures taken for assets monetization and new business development.

Audit Report on Consolidated Financial Statement

a. **In respect of Non adherence to repayment schedule of EARC and non-provision of penal interest of ₹ 1,099.43 lakh for the year ended March 31, 2018 as referred in Point 7.1 of Audit Report**

Though EARC has charged the penal Interest to the Group, the penal interest rate/amount is not agreed by the Group. The Group is negotiating with the EARC for waiver of penal interest and is hopeful of waiver/reversal of the same. Therefore no provision of penal interest amount has been made in the books of accounts. With respect to the non-adherence of repayment schedule, since company has not received any communication from EARC for conversion of the defaulted debt/interest repayment obligations into equity, the company continue to classify the restructured rupee loan in non-current and current borrowings.

b. **In respect of non-reversal of settlement gain of ₹ 1719.59 lakh and not accrued interest amounting to ₹ 237.50 lakh in compliance with repayment schedule as per supplement consent terms as referred in Point 7.2 of Audit Report**

The Parent Company has made partial payment under the consent terms and is under active negotiations with the NBFC for extension of additional time for balance amount payment. Moreover in the revised consent terms executed between the parent Company and NBFC, there is no mention of past settlement gains. In view of the stated facts the Parent Company has not reversed the settlement gain recognized earlier.

c. **In respect of revocation of Corporate Debt Restructuring (CDR) package in July, 2015 in subsidiaries and these subsidiaries continuing to account for the interest on such borrowings at interest rate prescribed in CDR package instead of original loan documents as reffered in point no. 7.3 of Audit Report.**

Post CDR exit, lenders are entitled to exercise the rights and remedies available under the original loan documents. However majority of borrowings of the Group had already been assigned to the EARC and balance borrowings are in the process of either assignment to EARC or sometime settlement with respective lenders. In the absence of any communication from these lenders, the Group has not provided for additional interest (difference between CDR package and as per original sanction letter) from CDR cut-off date.

ii.) Cost Auditor

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records. The Board of Directors, on the recommendation of Audit Committee, appointed M/s. Prashant Karlekar & Associates, Practicing Cost Accountants (Firm Registration No. 16075) as Cost Auditors to audit the cost accounts of the Company for the financial year 2017-18 at a remuneration of ₹ 60,000/- (Rupees Sixty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses. The Board has approved the remuneration payable to the Cost Auditors subject to approval of the shareholders at the ensuing Annual General Meeting.

Auditors' Report

There is no qualification in the Cost Audit Report.

iii.) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. Aabid & Co. Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year 2017-18 forms part of this Annual Report as an ***Annexure-IV*** to the Board's Report. Further, the secretarial Auditor has also certified that your Company has complied with the applicable Secretarial Standard, i.e. SS-1 and SS-2.

Secretarial Auditors' Report

There are no qualifications in the Secretarial Audit Report

5. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

6. HUMAN RESOURCES

Building people capabilities and providing them platforms and opportunities to grow and spread their wings have always been a unique strength of our organization. While on the one hand, your Company is committed in strengthening its human resources by induction of experienced and competitive professionals, on the other hand your Company is formulating appropriate policies, systems and schemes which will create adequate opportunities for growth in career and create a working environment which enhances productivity. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Result Areas (KRAs) are in place for all the employees.

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

Your Company continues to enjoy cordial and harmonious relations and not a single man hour was lost on account of any Industrial disturbance during the year 2017-18.

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

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

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

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

Key Managerial Personnel

Sl. No.	Name of the Person	Designation
1	Mr. Ajay S Mittal	Chairman and Managing Director
2	Mrs. Archana A Mittal	Joint Managing Director
3	Mr. S. Maheshwari	Group President and Chief Financial Officer (CFO)
4	Ms. Savita Dalal	Company Secretary and Compliance Officer

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

8. RISK MANAGEMENT

Tough it is not possible to completely eliminate various risks associated with the business of the Company, Your Company is well aware of risks associated with its business operations and various projects under execution. The management is making efforts to minimise such risks on the operations of the company. The Company has established a well – defined process of risk management which includes identification, analysis and assessment of various risks, measurement of probable impact of such risks and a strong mechanism to deal with potential risks and situation leading to rise of risks in an effective manner.

The Company has put in place various internal controls for different activities to minimise the impact of various risks. Further as mandated by the Companies Act the Company has implemented the Internal Financial Controls to ensure proper control over financial reporting.

9. HEALTH, SAFETY AND ENVIRONMENT

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

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

- Roof of the warehouses at our FTWZs have been designed with MR24 standards with roof insulation which gives temperature variation of 8Degree with ambient temperature. A provision of installation of solar panels will be made on the roofs to generate renewable energy in all new warehouses.

- Orientation of the warehouse buildings has been done in such a way that there is less heat transmission resulting in saving the electricity consumption by minimizing heat loss in the HVAC system.

- Ridge ventilators are installed at the roof of all WHs, whereby there is no need of power run turbo ventilators, which saves the huge amount of power.

- Cold rooms are having the best quality insulations in roofs/sides/top and floor so as to ensure no leakage of cooling and thus saving a lot of power. The doors of the cold rooms have been installed with air curtains so that during operation, internal temperatures is maintained without any loss of cooling.

- The central control room have been installed with the control panels which controls the temp of cold rooms and monitor automatically so to achieve the pre-set temperature requirement. The chiller units are also centrally controlled.

- Office air conditioning system is having VRV units, which adjust the power requirement as per the required heat load. This saves a lot of power requirement.

- All peripheral and yard lighting is having auto on and off system, set with the timings, which saves lot of wasteful energy.

- The docking doors are placed to ensure the minimum run by the fork lifts, which reduces large power required for re-charging.

Sewerage treatment plant: Company has installed sewerage treatment plant for reuse of water generated from toilet. After treatment, water is used for the gardening purpose.

EHS Policy: Site specific Environment Health and Safety policy is in place. Risk assessment analysis and emergency response plans are on ground. Dedicated Safety team audits the working & facility and train staff on all the aspects of safe working.

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

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in "Annexure-VI" which forms part of this Report.

APPRECIATION

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

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

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

Ajay S Mittal	**Archana A Mittal**
Chairman and Managing Director	**Joint Managing Director**
DIN: 00226355	DIN: 00703208

Place: Mumbai
Dated: May 24th, 2018

ANNEXURES TO THE BOARD'S REPORT

ANNEXURE - I

FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

As per Section 188 of the Companies Act, 2013, whenever a company avails or renders any service directly or through agents amounting to 10% or more of the turnover of the Company or ₹ 50 Crore, whichever is lower, prior approval of the shareholders is required. However, shareholders approval for such transaction need not be sought if the transactions are between the holding Company and its wholly – owned subsidiaries whose accounts are consolidated with the holding Company and placed for shareholders approval.

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

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2018, which were not at arm's length basis.

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

   The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2018.

SL. No.	Particulars	Details
a.	Name (s) of the related party	Arshiya Logistics Services Limited
b.	Nature of relationship	wholly owned Subsidiary
c.	Nature of contracts/arrangements/transaction	Unit holder agreement.
d.	Duration of the contracts/ arrangements/ transaction	5years
e.	Salient terms of the contracts or arrangements or transaction including the value, if any	unit holder agreement for Warehouse lease
f.	Date of approval by the Board	
g.	Amount paid as advances, if any	none

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

Ajay S Mittal
Chairman & Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Date: May 24, 2018

Place: Mumbai

Annexure II

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

(Rs. in Lakh)

S.No.	Name of the subsidiary	Financial Period ended	Currency	Equity	Other Equity	Total assets	Total liabilities (excluding equity and other equity)	Investments	Turnover	Profit / (Loss) before taxation(1*)	Provision for taxation	Profit / (Loss) after taxation	% of Share holding(1*)
1	Arshiya Industrial & Distribution Hub Limited	31st March, 2018	INR	1,723.72	19,637.77	69,499.67	48,138.18	-	78.38	1,039.98	-	1,039.98	100%
2	Arshiya Northern FTWZ Limited	31st March, 2018	INR	1,086.87	27,074.48	76,453.37	48,292.02	-	308.40	(9,188.82)	-	(9,188.82)	100%
3	Arshiya Rail Infrastructure Limited	31st March, 2018	INR	4,238.44	(13,561.72)	55,191.45	64,514.73	-	13,598.32	(10,242.11)	-	(10,242.11)	100%
4	Arshiya Transport And Handling Limited	31st March, 2018	INR	5.00	(964.74)	0.42	960.16	-	-	(103.33)	-	(103.33)	100%
5	Arshiya Technologies (India) Private Limited	31st March, 2018	INR	10.12	(13.00)	0.32	3.20	-	-	(1.65)	-	(1.65)	100%
6	Arshiya Lifestyle Limited	31st March, 2018	INR	148.50	1,649.71	3,364.87	1,566.66	-	1,890.38	(22.38)	-	(22.38)	100%
7	Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited)	31st March, 2018	INR	160.00	(122.21)	1,299.42	1,261.63	-	4,845.64	(115.86)	-	(115.86)	100%
8	Arshiya Supply Chain Management Private Limited (till 22nd March, 2018)	21st March, 2018	INR	-	-	-	-	-	2,277.43	(1,563.05)	27.07	(1,590.12)	Nil (2 & 3*)
9	Arshiya Rail Siding and Infrastructure Limited (till 3rd February, 2018)	31st January, 2018	INR	-	-	-	-	-	-	(1.44)	0.35	(1.79)	Nil (4*)

(1*) % of Share Holding including beneficial interest/ voting power (either directly/indirectly or through subsidiaries).
(2*) Nil (12.64%) held through Arshiya Northern FTWZ Limited.
(3*) Arshiya Supply Chain Management Private Limited has been dispossed on 22nd March, 2018 above disclousre are up to 21st March, 2018.
(4*) Arshiya Rail Siding and Infrastructure Limited has been dispossed on 3rd February, 2018 above disclousre are up to 31st January, 2018.

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

Ajay S Mittal	**Archana A Mittal**	**Ashishkumar Bairagra**	**S. Maheshwari**	**Savita Dalal**	**Vinod Kumar Jain**
Chairman and Managing Director	Joint Managing Director	Independent Director	Chief Financial Officer	Company Secretary	VP - Accounts & Finance
DIN: 00226355	DIN: 00703208	DIN: 00049591			

Place: Mumbai
Date: 24th May 2018

ANNEXURE - III

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March, 2018
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i.	CIN	L93000MH1981PLC024747
ii.	Registration Date	3rd July, 1981
iii.	Name of the Company	Arshiya Limited
iv.	Category/Sub-category of the Company	Company Limited by shares/ Indian non-government Company
v.	Address of the Registered office & contact details	302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018 T: +91 22 42305500/02, F: +91 22 4230 5555
vi.	Whether listed company	Yes
vii.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Bigshare Services Pvt. Ltd. 1stFloor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai 400059 T: +91 022 62638200, F: +91 022 62638299

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Warehousing and support activities	52109	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name	Address of the Company	CIN/ GNL	Holding / Subsidiary Associate	% of Shares held
1	Arshiya Transport And Handling Limited	302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U63030MH2010PLC200604	Subsidiary	100
2	Arshiya Northern FTWZ Limited	302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U51109MH2008PLC183555	Subsidiary	100
3	Arshiya Lifestyle Limited	301, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U74110MH2010PLC201330	Subsidiary	100
4	Arshiya Industrial & Distribution Hub Limited	302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U63000MH2008PLC182929	Subsidiary	100
5	Arshiya Rail Infrastructure Limited	302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U93000MH2008PLC180907	Subsidiary	100
6	Arshiya Technologies (India) Private Limited	302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U72300MH2007PTC175427	Subsidiary	100
7	Arshiya Logistics Services Ltd. (erstwhile Laxmipati Balaji Exim Trading Ltd.)	301, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U93000MH2008PLC183791	Subsidiary	100

Notes: 1. All the above companies are as per Section 2 (87) (ii) of the Companies Act, 2013.
2. Arshiya Supply Chain Management Private Limited, a subsidiary of Arshiya Ltd. has been disposed off w.e.f. 22nd March, 2018.
3. Arshiya Rail Siding and Infrastructure Limited, a wholly owned subsidiary of Arshiya Rail Infrastructure Ltd. has been transferred w.e.f. 03rd February, 2018.
4. Arshiya Logistics Services Ltd. has been acquired by Arshiya Ltd on 13th June, 2017.

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

i) Category-wise Shareholding:

Category of Shareholder		No. of Shares held at the beginning of the year: 01/04/2017				No. of Shares held at the end of the year :31/03/2018				% change during the year
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
A	**PROMOTERS**									
1	**Indian**									
(a)	Individual / HUF	11,71,20,225	0	11,71,20,225	74.99	12,56,20,225	0	12,56,20,225	55.04	(19.95)
(b)	Central / State Government(s)	0	0	0	0.00	0	0	0	0.00	-
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	-
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	-
(e)	Any Others (Specify)									
(i)	Group Companies	0	0	0	0.00	0	0	0	0.00	-
(ii)	Trusts	0	0	0	0.00	0	0	0	0.00	-
(iii)	Directors Relatives	0	0	0	0.00	0	0	0	0.00	-
	Sub Total (A)(1) :	**11,71,20,225**	**0**	**11,71,20,225**	**74.99**	**12,56,20,225**	**0**	**12,56,20,225**	**55.04**	**(19.95)**
2	**Foreign**									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	-
(b)	Individual	0	0	0	0.00	0	0	0	0.00	-
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	-
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(e)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	-
	Sub Total (A)(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**-**
	Total holding for promoters (A)=(A)(1) + (A)(2)	**11,71,20,225**	**0**	**11,71,20,225**	**74.99**	**12,56,20,225**	**0**	**12,56,20,225**	**55.04**	**(19.95)**
B	**PUBLIC**									
1	**Institutions**									
(a)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	-
(b)	Financial Institutions / Banks	60	0	60	0.00	29,28,695	0	29,28,695	1.28	0.15
(c)	Mutual Funds / UTI	0	25,000	25,000	0.02	0	25,000	25,000	0.01	(0.01)
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	-
(f)	FII'S	0	0	0	0.00	0	0	0	0.00	-
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	-
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(i)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	-
(j)	Foreign Portfolio Investors	17,78,638	0	17,78,638	1.14	46,50,924	0	46,50,924	2.04	0.90
	Sub Total (B)(1) :	**17,78,698**	**25,000**	**18,03,698**	**1.15**	**75,79,619**	**25,000**	**76,04,619**	**3.33**	**2.18**
2	**Non Institutions**									
(a)	Bodies Corporate	1,19,53,211	0	1,19,53,211	7.65	6,87,11,782	0	6,87,11,782	30.11	22.46
(b)	Individual									
(i)	(Capital upto to Rs. 2 Lakh)	82,77,846	2,55,001	85,32,847	5.46	84,56,174	2,55,001	87,11,175	3.82	(1.64)
(ii)	(Capital greater than Rs. 2 Lakh)	1,21,73,920	0	1,21,73,920	7.79	1,43,68,243	0	1,32,07,215	5.79	(2.0)
	NBFC Registered with RBI					57,000	0	57,000	0.02	0.02
(c)	Any Others (Specify)									
(i)	Trusts	0	0	0	0.00	0	0	0	0.00	-
(ii)	Clearing Member	3,59,229	0	3,59,229	0.23	2,56,721	0	2,56,721	0.11	(0.11)
(iii)	Non Resident Indians (NRI)	14,65,821	0	14,65,821	0.94	13,46,088	0	13,46,088	0.60	(0.34)
(iv)	Directors Relatives	13,955	0	13,955	0.01	32,700	0	32,700	0.01	-
(v)	Employee	2,881	0	2,881	0.00	2,131	0	2,131	0.00	-

Category of Shareholder		No. of Shares held at the beginning of the year: 01/04/2017				No. of Shares held at the end of the year :31/03/2018				% change during the year
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(vi)	Foreign Nationals	50,000	2,50,000	3,00,000	0.19	50,000	2,50,000	3,00,000	0.13	(0.06)
(vii)	Overseas Bodies Corporates	24,47,495	0	24,47,495	1.57	23,67,120	0	23,67,120	1.04	(0.53)
(viii)	Unclaimed Suspense Account	0	0	0	0.00	0	0	0	0.00	-
(ix)	IEPF	0	0	0	0.00	0	0	0	0.00	-
(x)	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	-
	Sub Total (B)(2) :	**3,67,44,148**	**5,05,001**	**3,72,49,149**	**23.85**	**9,44,86,931**	**5,05,001**	**9,49,91,932**	**41.62**	**17.53**
	Total Public Shareholding (B)=(B)(1) + (B)(2)	3,85,29,246	5,30,001	3,90,59,247	25.01	10,20,66,550	5,30,001	102596551	43.63	18.62
C	**SHARES HELD BY CUSTODIANS**									
(i)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (C)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Grand Total (A) + (B) + (C)	**15,56,49,471**	**5,30,001**	**15,61,79,472**	**100**	**22,76,86,775**	**5,30,001**	**22,82,16,776**	**100.00**	**(0.00)**

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2017			Shareholding at the end of the year 31/03/2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mrs. Archana A Mittal	9,85,59,288	63.11	100.00	8,85,59,288	38.80	100.00	(24.31)
2	Mr. Ajay S Mittal	1,85,60,937	11.88	100.00	3,70,60,937	16. 24	100.00	4.36
	Total	**11,71,20,225**	**74.99**	**100.00**	**12,56,20,225**	**55.04**	**100.00**	**(19.95)**

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

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase (+)/ Decrease (-) during the year	Reason	No. of shares	% of total shares of the company
1	Mrs. Archana A Mittal	9,85,59,288	63.11	10.11.2017	(40,00,000)	Sell	9,45,59,288	42.43
				16.11.2017	(60,00,000)	Sell	8,85,59,288	39.74
	At the end of the year	-	-				**8,85,59,288**	**38.80**
2	Mr. Ajay S Mittal	1,85,60,937	11.88	08.11.2017	1,85,00,000	Allotment	3,70,60,937	16.63
	At the end of the year	-	-				**3,70,60,937**	**16.24**

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	Date	Increase (+)/ Decrease (-) during the year	Reason	No. of shares	% of total shares of the company
1	Edelweiss Asset Reconstruction Company Ltd. (on behalf of various trusts)	0	0	08.11.2017	3,21,62,304	Allotment	3,21,62,304	14.43
				08.11.2017	15,88,038	Conversion of 6,58,710 Zero Percent Optionally Convertible Redeemable Preference Shares-Series I	3,37,50,342	15.14
				08.11.2017	23,82,392	Conversion of 13,10,000 Zero Percent Optionally Convertible Redeemable Preference Shares-Series II	3,61,32,734	16.21
				08.11.2017	47,64,785	Conversion of 8,70,000 Zero Percent Optionally Convertible Redeemable Preference Shares-Series III	4,08,97,519	18.35
				08.11.2017	47,64,785	Conversion of 8,70,000 Zero Percent Optionally Convertible Redeemable Preference Shares-Series IV	4,56,62,304	20.49
	At the end of the year	-	-				**4,56,62,304**	**20.01**
2	MSD India Fund Ltd.	0	0	23.06.2017	9,75,000	Purchase	9,75,000	0.62
				14.07.2017	47,000	Purchase	10,22,000	0.65
				21.07.2017	1,06,000	Purchase	11,28,000	0.72
				28.07.2017	2,09,500	Purchase	13,37,500	0.86
				04.08.2017	2,66,960	Purchase	16,04,460	1.03
				11.08.2017	73,000	Purchase	16,77,460	1.07
				18.08.2017	2,33,000	Purchase	19,10,460	1.22
				25.08.2017	71,000	Purchase	19,81,460	1.27
				01.09.2017	1,29,000	Purchase	21,10,460	1.35
				20.10.2017	1,23,817	Purchase	22,34,277	1.43
				27.10.2017	30,000	Purchase	22,64,277	1.43
				24.11.2017	2,70,000	Purchase	25,34,277	1.14
				01.12.2017	2,95,000	Purchase	28,29,277	1.27
				15.12.2017	2,00,000	Purchase	30,29,277	1.36
	At the end of the year	-	-				**30,29,277**	**1.33**
3	Naishadh Jawahar Paleja	29,76,270	1.91	-	-	-	29,76,270	1.30
	At the end of the year	-	-				**29,76,270**	**1.30**
4	Kotak Mahindra (International) Limited	13,22,988	0.85	-	-	-	13,22,988	0.58
	At the end of the year	-	-				**13,22,988**	**0.58**
5	Antique Securities Private Limited	14,00,000	0.90	21.04.2017	1,00,000	Purchase	15,00,000	0.96
				05.05.2017	84,876	Purchase	15,84,876	1.01
				26.05.2017	(14,61,438)	Sell	1,23,438	0.08
				30.06.2017	15,00,000	Purchase	16,23,438	1.04
				21.07.2017	(16,23,438)	Sell	0	0.00
				01.09.2017	16,23,438	Purchase	16,23,438	1.04
				24.11.2017	(16,23,438)	Sell	0	0.00
				08.12.2017	16,23,438	Purchase	16,23,438	0.73
	At the end of the year	-	-				**16,23,438**	**0.71**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	Date	Increase (+)/ Decrease (-) during the year	Reason	No. of shares	% of total shares of the company
6	Saviga Investment Holdings Inc	13,97,495	0.89	-	-	-	13,97,495	0.61
	At the end of the year	-	-				**13,97,495**	**0.61**
7	ECAP Equities Ltd.	0	0	01.12.2017	1,00,00,000	Purchase	1,00,00,000	4.49
	At the end of the year	-	-				**1,00,00,000**	**0.38**
8	Luckpro Pte. Ltd.	7,50,000	0.48	-	-	-	7,50,000	0.34
	At the end of the year						**7,50,000**	**0.34**
9	Parvesh Gandotra	7,20,000	0.46	02.06.2017	(1,20,000)	Sell	6,00,000	0.38
				16.06.2017	(100000)	Sell	5,00,000	0.32
				23.06.2017	(20000)	Sell	4,80,000	0.31
				08.12.2017	124000	Purchase	6,04,000	0.27
				15.12.2017	4000	Purchase	6,08,000	0.27
				02.03.2018	112000	Purchase	7,20,000	0.32
	At the end of the year	-	-				**7,20,000**	**0.32**
10	Daga Sandeep Ramdas	6,85,000	0.44	20.10.2017	(15,000)	Sell	6,70,000	0.43
	At the end of the year	-	-				**6,70,000**	**0.29**

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	Date	Increase (+)/ Decrease (-) during the year	Reason	No. of shares	% of total shares of the company
1	Mrs. Archana A Mittal	9,85,59,288	63.11	10.11.2017	(40,00,000)	Sell	9,45,59,288	42.43
				17.11.2017	(60,00,000)	Sell	8,85,59,288	39.74
	At the end of the year	-	-				**8,85,59,288**	**38.80**
2	Mr. Ajay S Mittal	1,85,60,937	11.88	08.11.2017	1,85,00,000	Allotment	3,70,60,937	16.63
	At the end of the year	-	-				**3,70,60,937**	**16.24**
3	Mr. Rishabh Shah	7,955	0.01	-	-	-	7,955	0.00
	At the end of the year	-	-				**7,955**	**0.00**
4	Ms. Savita Dalal	50	0.00	-	-	-	50	0.00
	At the end of the year	-	-				**50**	**0.00**
5	Mr. Santosh Maheshwari	0	0	27.10.2017	10,00,000	Allotment	10,00,000	0.44
	At the end of the year	-	-				**10,00,000**	**0.44**
6	Mr. Mukesh Kacker	0	0	19.05.2017	9,360	Purchase	9,360	0.00
	At the end of the year	-	-				**9,360**	**0.00**

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in ₹ Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,06,955.50	945.18	-	1,07,900.68
ii) Interest due but not paid	12,537.65	0.39	-	12,538.04
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1,19,493.15**	**945.57**	**-**	**1,20,438.72**
Change in Indebtedness during the financial year				
* Addition	17,035.09	14,224.52	-	31,259.61
* Reduction	31,509.40	13,154.94	-	44,664.34
Net Change	**(14,474.31)**	**1,069.58**	**-**	**(13,404.73)**

(Amount in ₹ Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	92,481.19	2,014.76	-	94,495.95
ii) Interest due but not paid	104.44	-	-	104.44
iii) Interest accrued but not due	1,892.26	-	-	1,892.26
Total (i+ii+iii)	**94,477.89**	**2,014.76**	**-**	**96,492.65**

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

Note: The Company did not pay any managerial remuneration during the financial year ended 31st March, 2018.

B. Remuneration to other directors:

(Amount in ₹ Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Ashish Bairagra	Mr. Rishabh Shah	Prof. G. Raghuram*	Mr. Mukesh Kacker	Mr. T. S. Bhattacharya#	
1	**Independent Directors**						
	Fee for attending board committee meetings	2.00	1.75	0.20	1.80	-	5.75
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-		-
	Total (1)	**-**	**-**	**-**	**-**	**-**	**-**

2	**Other Non-Executive Directors**						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**2.00**	**1.75**	**0.20**	**1.80**	**-**	**5.75**
	Total Managerial Remuneration	**2.00**	**1.75**	**0.20**	**1.80**	**-**	**5.75**
	Overall Ceiling as per the Act	N.A.					

1. *Prof. G. Raghuram has resigned as an Independent Director on 18th May, 2017.

2. # Mr. T. S. Bhattacharya has been appointed as an Independent (Additional) Director w.e.f. 24th May, 2018.

3. The Company did not paid any managerial remuneration during the financial year under review. As per Section 197 (2) & Section 197(5) of the Companies Act, 2013 read with rule 4 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 sitting fees paid to the Director's is excluded from determining quantum of Managerial Remuneration.

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

(Amount in ₹ Lakh)

Sl. No.	**Particulars of Remuneration**	**Key Managerial Personnel**		
		Ms. Savita Dalal – Company Secretary	**Mr. S Maheshwari – Group President & CFO**	**Total**
1	Gross salary	14.30	189.00	203.30
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14.30	189.00	203.30
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify…			
5	Others, please specify	-	-	-
	Total	**14.30***	**189.00**	**203.30**

*salary being paid from subsidiary company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Ajay S Mittal
Chairman & Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Date: May 24, 2018

Place: Mumbai

ANNEXURE - IV
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arshiya Limited

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Arshiya Limited (CIN: L93000MH1981PLC024747** (herein after called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing opinion thereon.

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2018 according to the provisions of:

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

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

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

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

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

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

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during audit period)

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

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period); and

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

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

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

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

Adequate notices were not found which are to be given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda at least seven days in advance, and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes.

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

Place: Mumbai
Date: May 24, 2018

For Aabid & Co.
Company Secretaries
Membership No.: F6579
CoP No.: 6625

Mohammad Aabid
Partner

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

ANNEXURE – I

List of documents verified

1. **Memorandum & Articles of Association of the Company.**

2. **Annual Report for the Financial Year ended 31st March, 2017.**

3. **Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration committee, along with Attendance Register held during the financial year under report.**

4. **Minutes of General Body Meetings held during the financial year under report.**

5. **Agenda papers submitted to all the directors/members for the Board Meetings and Committee meetings.**

6. **Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of Companies Act, 2013.**

7. **E-forms filed by the company, from time to time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.**

8. **Intimations / documents/ reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.**

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

ANNEXURE – II

List of Applicable Laws to the Company

Registered Office:

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

Under the Major Group and Head:

1) Multimodal Transportation of Goods Act,1993
2) Warehousing (Development and Regulation)Rules,2011
3) Carriage by Road Act,2007 and Carriage by Road Rules,2011
4) Central Motor Vehicles Act,1988 and Central Motor Vehicles Rules,1989 Custom Act, 1962
5) Companies Act, 2013
6) E-waste (Management & Handling) Rules, 2011
7) The payment of Wages Act,1936
8) The Payment of Bonus Act, 1965
9) The Payment of Gratuity Act, 1972
10) The Maharashtra Shops & Establishment Act, 1972
11) The Employee's State Insurance Act, 1948
12) Employee's Compensation Act, 1923
13) The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
14) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
15) The Employees Provident Funds and Miscellaneous Provisions Act, 1952
16) The Profession Tax Act, 1975
17) The Bombay Prohibition Act, 1949
18) Legal Metrology Act, 2009
19) Relevant provisions of the Service Tax and Rules and Regulations there under.
20) The Foreign Exchange Management Act, 1999, Rules and Regulations made there under.

ANNEXURE-III

To,
The Members,
Arshiya Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.

4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

ANNEXURE – V

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

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

Median remuneration of all employees for the financial year 2017-18	₹ 5,72,270/-

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

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

Name of the Director/ KMP	Percentage increase in remuneration during financial year 2017-18
Mr. Ajay S Mittal	NIL
Mrs. Archana A Mittal	NIL
Mr. Ashishkumar Bairagra	NIL
Mr. Rishabh Shah	NIL
Mr. Mukesh Kacker	NIL
Mr. S Maheshwari	8%
Ms. Savita Dalal	10%

c.) The percentage increase in median remuneration of employees in the financial year 2017-18 was 8.00%.

d.) There were 150 permanent employees on roll of the Company as on March 31, 2018.

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

Average percentage increase in salary of the Company's employees was 7%. The total managerial remuneration for the financial year 2017-18 was Nil. Remuneration paid to Key Managerial Persons was ₹ 2,03,29,980/- (Rupees Two Crore Three Lacs Twenty Nine Thousand Nine Hundred Eighty only) as against ₹ 38,52,083/- (Rupees Thirty Eight Lacs Fifty Two Thousand and Eighty Three only) during the previous financial year 2016-17.

f.) Affirmation that the remuneration is as per the remuneration policy of the company: Yes

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

Employee Name	Designation	Educational Qualification	Age	Experience (in years)	DOJ	DOL	Gross remuneration Per Month (₹) - Mar'17	Gross remuneration Per Month (₹) - Mar'18	Previous employment and designation
Mr. S Maheshwari	Group President & CFO	BE (MECH), MMS	54	28	15-Mar-16	-	1,458,333	1,575,000	Essar Steel India Ltd. & Senior Vice President

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

Ajay S Mittal	Archana A Mittal
Chairman & Managing Director	**Joint Managing Director**
DIN: 00226355	DIN: 00703208

Date: May 24, 2018

Place: Mumbai

ANNEXURE – VI

DISCLOSURE PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014

(A) Conservation of energy:

1. Steps taken or impact on conservation of energy:

   ➢ Conservation of energy is an ongoing process in the activities of the Company. The core activity of the Company is to setting up and carry on activities pertaining to Free Trade & Warehousing Zone, Domestic Warehousing Zone and value added services which are not an energy intensive activity.

2. Steps taken by the company for utilizing alternate sources of energy:

   ➢ Your company has taken all steps for conservation of energy at all level of operations of the Company.

3. Capital investment on energy conservation equipments.

   ➢ N.A.

(B) Technology absorption:

1. Efforts made towards technology absorption:

   ➢ Your company has taken all efforts to introduce innovative technologies and automation to the extent possible with a view to reduce cost to the optimum level.

2. Benefits derived like product improvement, cost reduction, product development or import substitution:

   ➢ Saves cost, time and improves the quality.

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a.	The Details of technology imported	:	None
b.	Year of Import	:	N.A.
c.	Whether the technology has been fully absorbed	:	N.A.
d.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	:	N.A.
➢	Expenditure incurred on Research and Development	:	NIL

(C) Foreign exchange earnings and Outgo:

(Amount in ₹ Lakh)

	F.Y. 2017-18	F.Y. 2016-17
Foreign Exchange earnings	3018.46	1720.70
Foreign Exchange outgo	32.15	27.91

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

Ajay S Mittal
Chairman & Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Date: May 24, 2018
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The year under review was landmark year for the Warehousing and logistic industry. With the government announcing Infrastructure status quo to logistic sector covering cold chain and warehousing facilities and the implementation of GST were the major reforms for the country.

The stream of policies and regulatory reforms unveiled recently has accentuated the entry of international institutional players in the Indian warehousing space. These moves are likely to attract more funding at competitive rates for logistic segment.

The logistic cost in India accounts for 12-14% of the Gross Domestic Product (GDP) which is much higher than (6-9%) the logistics cost of about 6 - 9% in developed countries such as the US, Hong Kong and France. Much of the logistics cost is attributed to absence of efficient logistics infrastructure, warehousing, inter-modal and multi-modal transport systems. This provides substantial scope in improving the logistics infrastructure in India, so to control the in-built logistics and warehousing inefficiencies.

(a) Economic Overview

Currently, India ranks 35th out of 160 countries in the World Bank's 2016 Logistics Performance Index (LPI). The Global Ranking of the World Bank's LPI shows that India jumped to 35th rank in 2016 from 54th rank in 2014 in terms of overall logistics performance. According to recent data, the warehousing sector in India has seen CAGR of 20% from 2014 to 2017.

Development of larger SEZs will have a ripple effect on the demand for storing both imported raw material as well as exportable finished goods. Given the benefits offered by FTWZs in storing both these, most of this increased storage demand will flow to FTWZs. In this way, FTWZs will be the obvious beneficiary of development of larger SEZs.

Demand for warehousing space, leasing activity in industrial and warehousing segment is expected to touch 20 million square feet in 2018; to be led by 3PL and e-commerce players, up 17% in 2017. The segment has gained significant momentum over the past few years, with leasing touching 10 million square feet in 2016 and 17 million square feet in 2017, signaling that the short-term disruptions caused by the implementation of the Goods and Services Tax (GST) have abated. India is set to witness investments close to ₹ 50,000 crore for in creation of warehousing facilities across the country between 2018 and 2020.

(b) Industry Overview

Logistics & Warehousing

Logistics and warehousing plays an indispensable role in the transportation of goods across the country. A warehouse is a fundamental part of business infrastructure and is one of the key enablers in the domestic and global supply chain.

The speed of import or export, or doing business within country, will depend on logistics and cost-effective solutions. Technological breakthroughs are changing every aspect of how logistics companies operate. Indian logistics infrastructure was unorganized and fragmented for a long time.

The sector plays a pivotal role in any nation's development by ensuring seamless movement of goods across the country and internationally in a cost-efficient manner, thereby enhancing a nation's global competitiveness. The sector is currently in a transformation phase with game-changing trends like implementation of GST, increasing focus by foreign investors across the logistics value chain, growing demand for end-to-end solution providers and emergence of new avenues such as e-commerce, logistics parks, cold chains, etc. The Government's thrust towards building multi-modal transportation infrastructure is also likely to have a significant influence on the logistics industry over the longer-term.

The Indian Logistics sector in undergoing a quiet revolution. Changing regulatory set-up, government incentives, infrastructure development projects, increasing transparency, related tax structures to encourage participation of foreign and private players in the sector and dedicated logistics parks and Free Trade Warehousing Zones (FTWZ) are fostering the growth of the logistics market in India.

The fiscal budget for 2018 indicates a clear push for the logistics sector and an expected increase in investment of ₹ 5.97 trillion in creating and upgrading its infrastructure.

The logistics market in India comprises shipping, port-services, warehousing, rail, road and air freight, express cargo and other value-added services. The logistics sector in India supports various components of the manufacturing industry in India. Transport is a crucial component of the Indian logistics industry, being about half the size of the Indian logistics industry market size, followed by warehousing and storage, comprising another 25-30% of the total market. The rest of the Indian logistics industry market size constitutes value-added and freight forwarding services. Road transportation with over 50% market share dominates the logistics industry in India, succeeded by the railway's sector at over 30%, water transport at 7%, and air shipment at 1%. The boom in the e-commerce sector has increased the service geography of the best logistics companies in India. The industry has moved from being just a service provider to provider of end-to-end supply chain solutions to their customers. The Company is well poised in these growth sectors of Warehousing, 3PL, Rail, ICD and end-to-end logistic solution provider.

The logistics industry in India is finding many other sectors that are investing heavily, such as aviation, FMCG, and metal & minerals. The Indian logistics industry looks well-poised for a bright future with the entry of many foreign companies and their focus on outsourcing their logistical requirements.

The commitment of Government of India ("GoI") towards an integrated development of logistics sector through policy amendments, infrastructural development, tax reforms and technology adoption will certainly deliver desirable results. It will enhance our trade competitiveness, create jobs, shoot up country's performance in global rankings and pave the way for India to become a logistics hub. Such measures will also contribute to creation of a New India by 2022, as envisioned by the government.

As infrastructure is the backbone for any country's prosperity, it has to be emphasized for logistics sector in India by improving the infrastructure quality and resources. The integration of the fragmented components of the logistics sector such as services, transportation, packaging, tracking, etc., and the move from the use of traditional "warehouses" to functional warehouses has indeed made the logistics sector much more efficient.

A few decades ago, what we now call warehouses used to be dilapidated buildings called godowns. The industry has come a long way from those days, to become the backbone of the manufacturing and burgeoning e-commerce industry. The sector is evolving fast, with both the nature of the business and technology driving it, and undergoing dynamic changes. In the face of regulatory and infrastructural challenges, the warehousing industry is changing gears fast enough to support the growth that the Indian economy is trying to achieve.

GST will not only allow logistics companies to set up just a few and big warehouses region wise, but also allow them to follow the hub-and-spoke model for freight movement from the warehouses to different manufacturing plants and wholesale and retail outlets. There shall be consolidation of smaller stock transfer warehouses into large warehouses. The existing players will benefit from economies of scale.

The GST implementation will also support organized players as it would have three major implications for the logistic sector –

i. consolidation of warehousing network and a shift towards a 'hub and spoke' model,
ii. higher degree of tax compliance and
iii. creation of level playing field between Express and traditional transport services providers by virtue of access to input tax credit.

(c) Industry structure and developments

The broad services conducted under the entire logistics package are namely transportation, warehousing and value added services including 3PL. Transportation is the biggest segment among all the services in India logistics sector while Warehousing and Value added services such as packing, labelling, sorting and others account for the major services mix of logistics market.

Free Trade & Warehousing Zones (FTWZs) - Specialized storage

FTWZ a special category of Special Economic Zones is a mega-trading hub with a focus on trading and warehousing for various types of cargo like temperature controlled cargo, dry cargo, containerized and bulk cargo, etc. The major growth drivers are the benefits offered by FTWZ are like duty deferment wherein custom duty is payable only when commodities are sold/ cleared and not when they are imported and are also exempted from payment of tax, thereby reducing the logistics costs; GST implementation has reduced tax hurdles significantly. The growth of this sector depends on EXIM opportunity and the associated norms offered by the country; transshipment opportunity offered by FTWZ is not fully utilized as India has a small share and slow growth in transshipment business. Temperature controlled warehousing is also fast evolving.

There are certain zones in India which are designated for Service Industry wherein Warehousing/ FTWZ are permissible. Illustratively, Khopta Town Plan under CIDCO at Panvel near Mumbai, wherein Arshiya notified FTWZ is located. The second FTWZ of the company is located in NCR at Khurja, Uttar Pradesh.

Third-party logistics (3PL) outsourcing is rapidly gaining importance as more and more corporations across the world are unable to manage their complex supply chains and hence are outsourcing logistics activities to the 3PL service providers. By outsourcing logistics activities to the 3 PL service providers, corporations are able to solely concentrate on their core business operations resulting in cost-efficiency and improved delivery performance and customer satisfaction. The Company also provides 3PL services through its subsidiary to its clients.

Domestic warehousing includes the warehousing of goods ranging from telecom equipments, chemicals, FMCG, apparels, engineering goods, pharmaceuticals, metals, and automotives. Owing to the large portions of the government's finances locked for the development of infrastructure in the country, the India industrial industry is set to reach new heights of growth in the coming years. The Company plans to expand its existing portfolio of Domestic Warehousing capacity in near future.

Inland Container Depot (ICD) - dry ports equipped for handling and temporary storage of containerized cargo in hinterland, where customers can receive port services more conveniently. The major growth drivers are increasing containerized trade which is bound to experience high demand in future with the completion of Eastern and Western Dedicated Freight Corridors (DFC) which will facilitate easy transport of large volume of cargo. The Northern Logistics Park of the Company at Khurja on the confluence of Eastern and Western Freight Corridors, also includes ICD facility.

Rail and rail infrastructure

Transport by rail is most preferred for long haulage as it is cost and time-efficient due to the topography, consumption center and trade lane in India. It also accounts for high proportions of the freight flow and plays a vital role in decongesting roads and highways. Utilizing rail transportation allows the transfer of up to 2,500 MT of cargo on a single train, which is equivalent to reducing nearly 90 trailers from the roads. It does not only reduce cost for the end users but also has a significant impact on pollution, efficiency and safety. The Company has a Private Container Train Operator (PCTO) license and with its fleet of 18 rakes and ~ 3000 containers, operates on a Pan India level in the Domestic segment. Further, it also has connectivity with 3 major western ports, viz., Mundra, Pipavav and JNPT for EXIM movement of containerized cargo.

Rail Terminal

ICD facilitated rail connections dealing in rail based cargo including containers which allow for single end user like manufacturer, consumer, etc., to own a freight terminal with a private rail siding. The growth drivers going forward on government approach of modal shift from road to rail is bound to boost the growth of PFTs. The Indian Railways have given approval to the scheme allowing PFTs on railway land adjacent to stations. The Company is the only one of the kind having a 6 lane Private Freight and Container Rail Terminals, catering to Indian Railways and other PCTO's cargo, besides its own.

(d) Opportunities and Threats

Like most other sectors and industries, Logistics & Warehousing is currently confronting immense change; and like all change, this brings both risk and opportunity.

The Indian logistics industry is characterized by its high degree of fragmentation. Country's diverse geographical and socio-economic features, huge retail network and infrastructure limitations enable most of the logistics service providers in the country to provide the entire gamut of logistics services. The primary reason for the growth in the Indian logistics industry can be attributed to increasing trade, reforms in government policy, increased government spending on infrastructure and rise in domestic consumption.

It is expected that the demand for transport, logistics and warehousing will continue to grow as the Indian economy is on a high growth trajectory, the domestic market is unsaturated and the country needs investment in transport, logistics and warehousing infrastructure.

Being touted as the country's 'sunshine industry', the Indian logistics and warehousing sector is readying itself to move from its present unorganized, fragmented business model to an organized, regulated structure.

With the advent of GST, new doors have opened for Warehousing Industry in India. With the combination of improved road connectivity, the make in India initiative and GST, the demand for modern/ large and best-in-class warehousing facilities will only increase.

E-commerce, is playing a major role in increasing the demand for warehousing in India. Logistics requirements for the e-commerce retail sector are getting reshaped by continuously evolving business demands. The Company also has temperature controlled warehouses suitable for agricultural produce, frozen foods and chemicals and pharmaceuticals.

The Company has been ahead of its time in creating the World-class infrastructure in the Logistics sector which now provides substantial opportunity.

Increasing Institutional Investor Interest & Investment opportunities in Warehousing in India
The past few years have witnessed massive participation from institutional investors, some of them having purchased ready assets, and others investing in a mix of ready and Greenfield assets. The last couple of years have seen considerable growth in investments through the PE and M&A deals in logistics, ports, warehouses and container freight stations in India. FTWZs and cold chains are increasingly being seen as attractive targets now. Asset-heavy investments in the Indian logistics sector have mostly been observed to be PE investments and asset-light have mostly been strategic M&As. The warehousing sector's highly fragmented nature is said to attract PE funds, which have played an important part in industry consolidation by focusing on aggregating smaller players and building scale through acquisitions.

During the year Arshiya Limited has entered into a long term agreement of ₹ 534 crores with Ascendas Property Fund (India) Pte. Limited ("Ascendas"), part of the Ascendas-Singbridge Group (Asia's leading sustainable urban and business space solutions provider), in context of monetization of six warehouses ("Warehouses") spreading over an area of approximately 0.8 million square feet situated at the Free Trade and Warehousing Zone at Panvel, near Mumbai ("Arshiya FTWZ").

Further, Ascendas India Trust acquired long-term leasehold rights in the Warehouses from the Company and the same are leased back under an operating lease arrangement to Arshiya Lifestyle Limited ("ALL"), a wholly owned subsidiary of Arshiya Group, in consideration of pre-agreed rentals. ALL would operate and manage the warehouses retaining the surplus income from rentals and Value added services post payment of pre agreed rentals.

The transaction also covers the terms for construction funding and forward sale of future development of approximately 2.8 million square feet within the Arshiya FTWZ. Your Company already possesses the requisite Land and Infrastructure for the future development.

With the recent Ascendas partnership, Arshiya has made a transition to asset-light business model delivering the same free-trade warehousing and integrated logistics services to its clients with much lighter balance sheet. This partnership puts Arshiya in a unique position to construct and operate scalable world-class warehouses pan-India in an asset light manner.

Arshiya, to meet the ever growing demand of FTWZ and Domestic Warehouses, has laid down the plans to construct multi-level warehouses at its Panvel facility.

Khurja facility in NCR being the first Multi-modal logistics park in the Country also offers substantial growth opportunity, especially with the Government impetus and some of the large infrastructure development in the region, such as, Eastern and Western Dedicated Freight Corridor, proposed second Airport in NCR region at Jewar and the connecting road highway infrastructure, besides being closer to the consumption centers.

The existing facility at Khurja includes substantial operating warehouse capacity FTWZ and Domestic Warehousing segment which provides opportunity to monetize so as to reduce debt. The facility also has substantial land bank with developed infrastructure which provides opportunity to scale-up further.

Data Centers - The growing demand for Internet services, the social-media explosion and constant collection of "big data" has put increased pressure on data center growth. Data centers guarantee uninterrupted service and control costs when upgrading capabilities for higher bandwidth and increased storage capacity. Supply chain management concepts work to gather information about, analyze, make recommendations, and follow up on changes made to increase return on investment. These concepts can be applied to the introduction of any asset in the design and building of a data center within the data center supply chain.

The Company has outlaid plan to set-up additional segment i.e. electronic hardware and software (including information technology enabled services) in the notified area for FTWZ at Panvel wherein company plans to develop IT/ ITES Park on an area of about 25 acres of land.

(e) Risks and concerns
In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of your Company are imperative. The present and anticipated future risks are reviewed by the management of your company at regular intervals. Based on its past experiences, the management tries to remain vigilant about all prospective risks and takes suitable preventive steps & measures to adequately safeguard your companies resources like property & personnel, so that the business continues as usual even during difficult situations. Your Company has identified following major risks that have impact on the business & profitability:

Elements of Risk	Impact	Mitigation
Trade Risk	The Company's business can be affected by the rise and fall in the levels of imports and exports in the country. Given the projected growth in the Indian economy and expected recovery in global trade, rising spending in the infrastructure and manufacturing space and increasing per capita and disposable income, it is estimated that imports will continue to rise steadily.	Your Company is focusing on high margin segment which is essentially dependent on imports and exports of containerized cargo in India. With expected EXIM trade increase along with the growth in containerization, FTWZ business is expected to be good in coming year and hence, your Company believes it has adequate mitigation in place.
Legal & Regulatory Risk	The Company operates in a regulated environment with plethora of laws and regulations applicable to it. In case the Company, does not obtain the required approvals and licenses in timely manner, the business and operations may be adversely effected.	Your company has well established structure, policies, and procedures to assist in the compliance with law of land and regulations. With the increasing impetus of the Government on ease of doing business and the clarity on the various regulatory issues, it is expected that the business would grow substantially as all industry predictions suggest that this will be the trend in the future as well and your company does not expect this risk to affect it materially in the coming years.
Operational Risk	The Company faces the operational Risk due to inadequate or failed human performance, processes or technology. The Company is exposed to a broad range of operational risks.	Your Company has best-in-class facilities of Global standards and manages operational risk through extensive policies, procedures and internal controls related to human resources, information technology development and change management and business operations.
Human resource attrition risk	The Company faces the risk arising from inappropriate sourcing or sub-optimal utilization of key organizational resources such as talent, capital and infrastructure, erosion of talent/ skills and ineffective HR Policies having significant bearing on the bottom line of our business.	Your Company continues to accord top priority to managing employee attrition by formulating talent retention programs and offering a competitive remuneration and growth path for talented individuals.
Strategic Risk	The Company faces Strategic Risk through failure to develop and implement appropriate business plans, products, and services on a timely basis.	Your Company has strong Management and Planning team for Strategic planning and control. The management prepares Business Plan, complete with operational planning and budgets each year, based upon the planning completed by the Board

(f) Technology upgrades

The Company believes IT-enabled services is an integral part of any Logistics solutions. Arshiya, to gain advantage of current and future logistics demands and to address the expectations of global customers on digitization by an upgrade to its current IT systems by SAP S4/ HANA.

(g) Government initiatives: Policies and measures

The integrated logistics policy could go a longer way in streamlining and consolidating multi-department requirements, besides facilitating corrective action, effective monitoring and prompt grievance re-dressal. To alter the country's logistics landscape, Government of India (GoI) has taken a number of decisions.

Impact of GST on Warehousing

Hub and spoke to rule - Organizations will now be able to explore a different distribution model instead of the traditional carrying and forwarding (C&F) distributor-based models. Growing demand for Larger Hubs/ Regional Distribution Centre as well as Smaller 'Spoke' warehouses

1. Consolidation - post GST, the focus would shift on efficiency rather than tax saving through smaller warehouses. Companies to re-structure their warehousing portfolio to bring in larger 'supply - chain' efficient warehouses, typically built to suit their specific warehouse requirements
2. Quicker supply - state-border check points for scrutiny and location based tax compliance, which accounts for almost 60% of a truck's transit time, can hugely reduce, thus facilitating quicker supply
3. Efficient and larger warehouses - efficient warehouse management is expected to boost the sector as the warehouses are expected to have that 'economics of scale' thus increasing Per Cubic Meter storage efficiency of warehouses.

4. More organized logistics players - existing organized warehousing developers can expect significant increase in demand.
5. Larger investment - warehousing developers are investing in larger logistic parks and buying land at strategic locations
6. Reduced cost to customers - reduction in tax cascading may lead to lower cost of production and distribution which can be eventually passed on to consumers.

Infrastructure status to Warehousing and Logistics
Granting infrastructure status to the logistics warehousing sector was another landmark move made by the government last year. The government has recently announced infrastructure status to the logistics industry. This decision will enable companies in the logistics and warehousing sector to access funds at lower cost, longer tenure and enhanced limits. As part of this move, multi-modal logistics parks, cold chains, and industrial and logistics real estate, which comprises of light assembly warehouses including those with just pick-and-pack operations, have been clearly defined as part of the infrastructure network of the country.

New Logistics Division in the Department of Commerce has been established to coordinate integrated development of the sector by way of policy changes, improvement in existing procedures, identification of bottlenecks and gaps, and introduction of technology-based interventions. The Ministry of Commerce and Industry is developing an integrated logistics portal which would serve as a transactional e-marketplace by connecting buyers, logistics service providers and the relevant government agencies such as customs, port community systems, port terminals, shipping lines, railways, etc.

The Ministry also launched a new Logistics Ease across Different States Index to rank states for the support they provide to improve logistics infrastructure within their respective jurisdictions.

Rail, Rail Infrastructure and Regulator
Despite the advantages that rail transportation offers, there are numerous challenges for the stakeholders involved.

To counter these challenges and prepare for the projected growth within the industry, the Government of India has undertaken several initiatives that aim to develop and enhance infrastructure to allow the intermodal movement.

On the infrastructure side the government is taking transformative projects like DFC, high-speed rail, high-capacity rolling stock, last-mile rail linkages, and port connectivity. It has also introduced steps like tariff rationalization, expansion of freight basket through containerization, withdrawal of dual freight policy, rationalization of tariff, re-introduction of short lead concession and reduction in minimum distance for charge, long-term tariff contract policy and liberalized automatic freight rebate scheme for traffic loaded in empty flow directions.

The most significant one being the construction of DFC, which act as one of the structural drivers for the container rail logistics in India. The superior infrastructure will enable double stack container movement, higher axle load and increase the train length by two folds; all of which resulting in the increase of load carrying capacity of the railways. This combination of high speed and capacity will result in reducing operating costs and lower freight rates, further ensuring the modal shift towards rail from road. This will be beneficial for the end customer as a lower transit time will reduce working capital and inventory requirements. DFC will also lead to the development of logistics hubs at various strategic locations across the corridors and will help customers meet their increasing supply chain demands efficiently.

The regulatory authority will change the landscape of Indian Railways as it will help the national carrier take decisions on pricing of services commensurate with costs, protect consumer interests, suggest measures for enhancement of non-fare revenue, promote competition and encourage market development, create positive environment for investment, promote efficient resource allocation and benchmarking of service standards, and suggest measures for absorption of new technologies and human resource development.

- Tariff determination
- Ensuring fair play & level playing field for private investments in Railways
- Setting efficiency and performance standards

The aforesaid initiatives clearly show that there is a positive change in approach with regard to the business of FTWZ in India, which will boost the business of your Company.

(g) Internal control systems and their adequacy

The Company has a well-established framework of internal controls in place, supported by policies, guidelines and procedures, including suitable monitoring procedures. In addition to external audit, the financial and operating controls of the Company are reviewed regularly by the Internal Controls and Audit as per the annual plan approved by the Audit Committee.
The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly. Such

internal controls are supplemented by an extensive program of internal audits, review by management and documented policies, guidelines and procedures. These are designed to ensure that financial and other records are reliable for preparing financial information and other reports and for maintaining regular accountability of the Company's assets. The internal auditors present their report on a quarterly basis to the Audit Committee of the Board. All significant audit observations along with corrective actions thereon are tracked for resolution by the Internal Audit and Controls function, and the same is communicated to Audit Committee.

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations. The organization is well structured and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations.

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

(h) Discussion on financial performance with respect to operational performance

The financial performance of the company has been provided elsewhere in the report.

(i) Material developments in Human Resources/ Industrial Relations front, including number of people employed

The Directors have apprised about the material developments in human resources in the Director's Report. Further, the Company had employed 150 employees during the year under review.

(j) Forward-looking and cautionary statements:

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company, describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations.

Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement.

Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments and climatic conditions affecting demand and supply within the country, natural calamities and so on and such other factors globally, which the company does not have any direct control.

The management of your Company has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements, reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on the financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Arshiya" are to Arshiya Limited and its subsidiaries and associates.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY & FRAMEWORK ON CORPORATE GOVERNANCE

Governance broadly refers to the set of systems, principle and processes by which a company is governed while fulfilling the goals and objectives of the Company and also protecting the interest of all the stakeholders in the long run. Responsible corporate conduct is integral to the way we do our business. Transparency and accountability are the two basic tenets of Corporate Governance, the Company emphasizes the need to attain the optimum of both in all its transactions, in order to protect the interests of its stakeholders. The company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government, and other stakeholders. Your Company continuously endeavours to uphold the values of transparency, integrity, professionalism and accountability and improve upon these aspects on an ongoing basis to help the Company move forward.

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. It is our constant endeavour to adopt the best Corporate Governance practices keeping in view the well-known globally recognised practices. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as leadership and governance of the Company. The framework ensures effective engagement with our stakeholders and help us to be guided by our core values, and the same time allows us to do more and be more for our stakeholders.

2. BOARD OF DIRECTORS

A. Composition of the Board:

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

As at March 31, 2018, our Board consist of Five Members with Promoter Director as Chairman and Managing Director, One Woman Director, and Three Non-Executive Independent Directors. The composition of our Board is in conformity with the requirements of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We also take this opportunity to welcome Mr. T. S. Bhattacharya DIN (00157305) on the Board of the Company & that his appointment was approved as an additional Director for the role of Independent Director. He shall hold office as an Independent Director for a period of five years subject to approval of the shareholders at Annual General Meeting.

B. Board Membership Criteria and role of the Board of Directors:

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

The primary role of Board is that trusteeship to protect and enhance Stakeholders value through strategic direction to the Company. As trustees, the Board has fiduciary responsibility to ensure that the company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgement. The Board sets strategic goals and seeks accountability for their fulfilment.

C. Meetings of Board and attendance:

In Compliance with Regulation 17 of the Listing Regulations and as required under the Companies Act, 2013 the Board meets at least once in each quarter and the gap between any two Board meetings was not more than one hundred and twenty days. During the year under review, thirteen meetings of the Board were held on April 04, 2017; May 18, 2017; June 27, 2017; August 26, 2017; October 27, 2017; November 08, 2017; December 06, 2017; December 22, 2017; December 27, 2017; January 25, 2018; January 29, 2018; February 14, 2018 and February 22, 2018.

The meetings of the Board of Directors are scheduled well in advance and usually held in Mumbai at the registered office of the Company. The Chief Financial Officer and the Company Secretary, in consultation with the Chairman and the Managing Director, prepare the detailed agenda for the meetings. Directors are also free to bring up any other matter for discussion at the Meetings with the permission of the Chair.

The draft minutes of the meeting approved by the Chairman is circulated to all the Directors within fifteen days after the conclusion of the meetings. Decisions taken at Board / Committee meetings are communicated to the concerned departments promptly for actions and an Action Taken Report on the status of the decisions taken at the Board / Committee meetings is placed, for the information, to the Board / Committee members.

The Board of Directors has complete access to the information within the Company, which inter- alia includes the following minimum information to be placed before the Board as per part A of schedule II of Listing Regulations. –

i.) Annual operating plans and budgets and any updates.
ii.) Capital budgets and any updates.
iii.) Quarterly results for the listed entity and its operating divisions or business segments.
iv.) Minutes of meetings of audit committee and other committees of the board of directors.
v.) The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
vi.) Show cause, demand, prosecution notices and penalty notices, which are materially important.
vii.) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
viii.) Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
ix.) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
x.) Details of any joint venture or collaboration agreement.
xi.) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
xii.) Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
xiii.) Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
xiv.) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
xv.) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Independent Directors play an important role in the deliberations in Board Meetings and bring with them rich expertise in the field of finance, Public Policy, Law, Social reforms, industry, marketing, accountancy and other areas. While constituting the Committee of Directors, the requirements that a Director shall not be a member of more than 10 committees and Chairman of not more than 5 committees have been ensured and complied with. None of the Independent Directors serves as an Independent Director in more than seven listed companies.

The following table gives the attendance of the Directors at the Board meetings of the Company and also the number of other Directorships held in Indian Public Limited Companies (other than the Company) and Chairmanship / Membership in Board Committees of Public Limited Companies as at March 31, 2018. The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other companies are given herein below. Other Directorships do not include directorships in Private Limited Companies, Section 8 Companies and Companies incorporated outside India. Chairmanships of Board Committees include only Audit and Share Transfer and Investor Relations Committee.

Necessary Quorum was present for all the meeting:

Sr. No.	Name of the Directors	DIN	Category	Number of Board meetings held during the Year 2017 - 2018 Director's Attendance		Director ships in other Public Companies	Membership / Chairmanship of Committees in other Public Companies		Attendance at the A.G.M Held on 26th September, 2017
				Held	Attended		Chairman	Member	
1	Mr. Ajay S Mittal	00226355	PD	13	12	07	01	05	Yes
2	Mrs. Archana A Mittal	00703208	WPD	13	07	03	-	00	Yes
3	Mr. Ashish kumar Bairagra	00049591	NEI	13	09	07	07	04	Yes
4	Mr. Rishabh Shah	00694160	NEI	13	08	04	03	08	No
5	Mr. Mukesh Kacker	01569098	NEI	13	09	04	-	01	No
6	*Prof. G. Raghuram	01099026	NEI	13	01	04	-	-	No

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

Video/tele-conferencing facilities are also used to facilitate Directors travelling/ residing far of or at other locations to participate in the meetings.

** Prof. G. Raghuram, has resigned as an Independent Director On May 18, 2017.*

D. Separate Meeting of the Independent Directors:

Schedule IV of the Companies Act, 2013 and the Rules under, mandates that the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management.

The Independent Directors held a Meeting on February 14, 2018 without the attendance of Non-Independent Directors and Member of Management. Mr. Ashish Bairagra and Mr. Mukesh Kacker, were present at the meeting of Independent Director, however leave of absence granted to Mr. Rishabh Shah.

E. Training of Independent Directors:

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

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

F. Performance Evaluation:

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

G. Materially significant related party transactions:

The Company has not entered into any transaction which are not in normal course of business and/or not on an arm's length basis with Holding/Subsidiary/Fellow Subsidiary/Associate Companies. A detailed list other related party transactions as required as per IND- AS 24 are disclosed & forms part of financial statements.

3. COMMITTEES OF THE BOARD

The Board currently has the following committees:

A. Audit Committee;
B. Nomination and Remuneration Committee;
C. Share Transfer, Investor Grievances and Stakeholders Relationship Committee;
D. Committee of Directors; and
E. Corporate Social Responsibility Committee.

The terms of reference of the Board Committees are determined by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committee. The meetings of the Board Committees are convened by the Chairperson of the respective Committee.

A. AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company have a duly constituted Audit Committee.

a.) Powers and Terms of Reference of the Committee:

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

1	Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.	
2	Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and the fixation of audit fees.	
3	Approval of payment to statutory auditors for any other services rendered by them.	
4	Reviewing, with the management, the quarterly/annual financial statements before submission to the Board for approval, with particular reference to:	
	a.	Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 (5) of the Companies Act, 2013.
	b.	Changes, if any, in accounting policies and practices and reasons for the same.
	c.	Major accounting entries involving estimates based on the exercise of judgment by management.
	d.	Significant adjustments made in the financial statements arising out of audit findings.
	e.	Compliance with listing and other legal requirements relating to financial statements.
	f.	Disclosure of any related party transactions.
	g.	Qualifications in the draft audit report.
	h.	Compliance with accounting standards and changes in accounting policies and practices as well as reasons thereof;
	i.	Draft Audit Report, modified opinion if any and significant adjustments arising out of audit;
	j.	Statement of significant related party transactions (as defined by the Committee), submitted by the management;
	k.	Compliance with listing and other legal requirements concerning financial statements;
5	Reviewing, with the management, the quarterly financial statements before submission to the board for approval.	
6	Reviewing, with the management, the statement of uses / application of funds as and when raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.	
7	Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.	
8	Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.	

9	Discussion with internal auditors on any significant findings and follow up thereon.
10	Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11	Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12	To look into the reasons for substantial defaults if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13	To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14	Carrying out any other function as is assigned to the Audit Committee.
15	Such other powers and duties as may be required to be included in terms of Listing Agreement amended from time to time.

b.) Composition, meetings held and attendance at the meetings during the year:

During the year, the Audit Committee met Six times on May 17, 2017; August 25, 2017; October 07, 2017; December 05, 2017; February 14, 2018 and March 09, 2018. The composition of the Audit Committee as at March 31, 2018 and details of the attendance of the members of the committee at the meetings of the Committee are as under:

Sr. No.	Name of Members	Category	No. of meetings held	No. of meetings attended
1.	Mr. Ashishkumar Bairagra - Chairman	Non-Executive Independent Director	6	6
2.	Mr. Rishabh Shah – Member	Non-Executive Independent Director	6	3
3.	Mr. Ajay S Mittal – Member	Promoter Director	6	5

The Chairman of the Audit Committee was present at the previous Annual General Meeting held on 26th September, 2017.

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

B. NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 the Company have a duly constituted Nomination and Remuneration Committee.

The Nomination and Remuneration Policy is available on our website http://www.arshiyalimited.com/assets/pdf/nomination-and-remunerationpolicy20160407103702.pdf

a.) Powers and Terms of Reference of the Committee:

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

1 Succession planning of the Board of Directors and Executive Committee.
2 Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria.
3 Nomination for election or re-election by the shareholders, and any Board vacancies that are to be filled.
4 Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and Members of the Executive Committee and their remuneration.
5 Coordinates and oversees the annual self-evaluation of the Board and of individual directors.
6 Reviews the performance of all Executive Directors on a half-yearly basis or at such intervals as may be necessary on the basis of detailed performance parameters set for each executive director at the beginning of the year.

b.) Composition, meetings held and attendance at the meetings during the year:

During the year, the Nomination and Remuneration Committee met once on May 17, 2017

The composition of the Committee as at March 31, 2018 and details of the attendance of the members of the committee at the meetings of the Committee are as under:

Sr. No.	Name of Members	Category	No. of meetings held	No. of meetings attended
1.	Mr. Ashishkumar Bairagra - Chairman	Non-Executive Independent Director	1	1
2.	Mr. Rishabh Shah – Member	Non-Executive Independent Director	1	1
3.	Prof. G. Raghuram* - Member	Non-Executive Independent Director	1	1
4.	Mr. Ajay S Mittal** – Member	Promoter Director	-	-

*resigned w.e.f May 18, 2017.
** Inducted as the member of this Committee w.e.f. June 27, 2017.

c.) Nomination and Remuneration Committee Report for the Financial Year Ended March 31, 2018:

The committee discussed the retirement by rotation of the Board according to statutory requirements. As per the provisions under the Companies Act, 2013, independent directors are not liable to retire by rotation. As such, none of the independent directors will be retiring at the ensuing AGM. Further, following provisions of Companies Act, 2013, Mr. Ajay S Mittal – Chairman & Managing Director will retire in the ensuing AGM. The Committee considered his performance and recommended that the shareholders may consider the necessary resolutions for re-appointment of Mr. Ajay S Mittal. As required, a brief profile and other particulars of Mr. Mittal seeking re-appointment is given in the Notice of the 37th Annual General Meeting.

d.) Remuneration paid to Directors:

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

Details of Sitting Fees to Non-executive Independent Directors for the year ended March 31, 2018 are given below:

Sr. No.	Name of Director	Sitting Fees paid (₹)	No. of shares held (Face Value ₹ 2/- each)
1.	Mr. Ashishkumar Bairagra	2,00,000	Nil
2.	Mr. Rishabh Shah	1,75,000	7,955
3.	Prof. G. Raghuram*	20,000	Nil
4.	Mr. Mukesh Kacker	1,80,000	9360

* resigned w.e.f. May 18, 2017.

C. SHARE TRANSFER, INVESTOR GRIEVANCES and STAKEHOLDERS RELATIONSHIP COMMITTEE

According to Sec. 178(5), the Company is required to have a Stakeholders relationship Committee and in compliance of the same the Company have a duly constituted Share Transfer, Investor Grievances and Stakeholders Relationship Committee.

a.) Powers and Terms of Reference of the Committee:

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

2 Oversee the functions of the Registrar and Share Transfer Agent.

b.) Composition, meetings held and attendance at the meetings during the year:

Our Share Transfer, Investor Grievances and Stakeholders Relationship Committee comprises of two independent directors and one Promoter Executive Director as on March 31, 2018.

The Company Secretary / Compliance Officer of the Company acts as the Secretary of the Committee.

During the year, the Share Transfer, Investor Grievances and Stakeholders Relationship Committee met four times on May 17, 2017; August 25, 2017; December 05, 2017 and February 14, 2018.

Details of meetings attended by its members till March 31, 2018 are given below:

Sr. No.	Name of Members	Category	No. of meetings held	No. of meetings attended
1	Mr. Rishabh Shah – Chairman	Non-Executive Independent Director	4	4
2	Mr. Ashishkumar Bairagra - Member	Non-Executive Independent Director	4	4
3	Mr. Ajay S Mittal– Member	Promoter Director	4	4

c.) SEBI Complaints Redressal System (SCORES):

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

d.) Status of Investors Complaints:

The Committee ensures that the shareholders' / investors' grievances and correspondence are attended and resolved expeditiously. During the year under review, the Company has received one investor grievances/ complaints and disposed of the same during the year.

e.) Dematerialization of Shares and liquidity:

The Company's shares are traded in the electronic forum. We have established connectivity with both the depositories in India – National Securities Depositories Limited and Central Depository Services Limited in India (NSDL & CDSL). The International Securities Identification Number (ISIN) allotted to Company is INE968D01022. The shareholding in dematerialized mode as on March 31, 2018 was 99.77% (99.65% as of March 31, 2017).

f.) Designated Correspondence for Investor Services:

In compliance with regulation 46 of the listing regulations, the designated e-mail address for investor services wiz. grv.redressal@arshiyalimited.com is duly provided on the website of the Company for the benefit of our shareholders.

D. COMMITTEE OF DIRECTORS

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

a.) Powers and Terms of Reference of the Committee:

1 Looking after the businesses, which are administrative in nature and within the overall board approved directions and framework

b.) Composition, meetings held and attendance at the meetings during the year:

The Committee of Directors comprises of two Non-Executive Independent Directors and one Promoter Executive Director as on March 31, 2018. During the year Committee of Directors met three times on January 02, 2018, January 12, 2018 & March 14, 2018.

Sr. No.	Name of Members	Category	No. of meetings held	No. of meetings attended
1	Mr. Ajay S Mittal – Chairman	Promoter Director	3	3
2	Mr. Ashishkumar Bairagra - Member	Non-Executive Independent Director	3	3
3	Mr. Rishabh Shah – Member	Non-Executive Independent Director	3	3

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a.) Powers and Terms of Reference of the Committee:

1 This committee shall be responsible for overseeing the activities / functioning of Arshiya Cares and such other activities, as mentioned in Schedule VII to the Companies act, 2013, which shall be undertaken upon the applicability of such other provisions of companies act, 2013 under Section 135 and rules made thereunder, including amendments if any to the same.
2 Formulate and update our CSR Policy, which will be approved by the Board of Arshiya Limited.
3 Suggest areas of intervention to the Board of Arshiya Limited.
4 Approve projects that are in line with the CSR policy.
5 Put monitoring mechanisms in place to track the progress of each project.
6 Monitoring CSR activities from time to time.

b.) Composition, meetings held and attendance at the meetings during the year:

Our CSR Committee is comprised of an independent director as chairperson and two Promoter executive directors as members as on March 31, 2018:

Sr. No.	Name of Members	Category
1	Mr. Rishabh Shah – Chairman	Non-Executive Independent Director
2	Mrs. Archana A Mittal - Member	Promoter Director
3	Mr. Ajay S Mittal – Member	Promoter Director

The Committee did not convened any meeting during the year.

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

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

4. CORPORATE GOVERNANCE REQUIREMENTS WITH RESPECT TO SUBSIDIARY COMPANIES

Arshiya Rail Infrastructure Limited is the only material non-listed Indian subsidiary company. The financial statements of subsidiaries, in particular, the investments made by subsidiaries, if any, during the quarter are reviewed by the Audit Committee of the Board of Directors. The policy relating to material subsidiaries as approved by the Board may be accessed on the Company's website at the http://www.arshiyalimited.com/assets/pdf/policy-on-material subsidiaries20160407103840.pdf

In compliance with the conditions specified in regulation 24 (1), Independent Director(s) on the Board of the Company, have been appointed as Director on the Board of the Material Indian Subsidiary. Further, in compliance with regulation 24(2) financials of the subsidiary companies were reviewed by the Audit Committee of the Company. Also minutes of the Board Meetings of the subsidiaries have been placed before the Board of directors of your Company.

5. GENERAL BODY MEETINGS

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

Financial Year	Date and Time	Venue
2017-2018	EGM-29th January, 2018 at 03:00 p.m. AGM – 26th September, 2017 at 03:00 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018
2016-17	EGM- 29th April, 2017 at 3:00 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018
2015-16	AGM – 29th July, 2016 at 10.30 a.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018
	Postal Ballot- 07th November, 2016	N.A.
2014-15	AGM – 10th July, 2015 at 3.00 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018

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

Meetings held on	Special Resolution passed
EGM-29th January, 2018	- Increase in the authorized share capital of the company.
	- Issue of equity shares and optionally convertible redeemable preference shares (OCRPS) on preferential basis.
AGM – 26th September, 2017	- Ratification of Remuneration to Cost Auditor.
	- Ratification of disclosure in respect of Special Resolution passed in the Extra-Ordinary General Meeting of the members of the company held on 29th April, 2017.
EGM – 29th April, 2017	- Increase in and reclassification of the authorised share capital of the company.
	- Alteration of articles of association.
	- Issue of equity shares, optionally convertible redeemable preference shares, warrants on preferential basis

All resolutions moved at the last AGMs/ EGMs were passed by means of electronic and physical voting, by the requisite majority of members attending the meeting. None of the businesses proposed to be transacted at the ensuing AGMs/ EGMs require the passing of a special resolution by way of postal ballot.

6. DISCLOSURES

a.) Details of Non-Compliance:

The Company has complied with all the mandatory requirements of the Listing Regulations with the Stock Exchanges, regulations and guidelines of SEBI. No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

b.) Code of Conduct:

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

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

c.) Prevention of Insider Trading:

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

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

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

d.) CEO and CFO Certification:

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

e.) Auditors' Certificate on Corporate Governance:

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

f.) Disclosure regarding the appointment and re-appointment of directors:

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

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

g.) Related Party Transactions:

All transactions entered into with related parties, as defined under Section 2 (76) of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, during the year under review were on Arm's Length Price basis and in the Ordinary Course of Business. They have been duly approved by the Audit Committee. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements, forming part of the Annual Report. There are no materially significant transactions with related parties' viz. Promoters, Directors or the Management, or their relatives or subsidiaries that had potential conflict of interest with the Company. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large. Suitable disclosure as required by the IND AS - 24 has been made in the Annual Report. The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements. The duly adopted Policy on Related Party Transactions is available on the Company's website at: http://www.arshiyalimited.com/assets/pdf/related-party-transaction-policy20160407103809.pdf

h.) Vigil Mechanism/ Whistle Blower Policy:

In compliance with Section 177(9) and (10) of the Companies Act, 2013 and Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of company's code of conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the company has been denied access to the Audit Committee. Vigil Mechanism/ Whistle Blower Policy of the Company is available on our website http://www.arshiyalimited.com/assets/pdf/vigil-mechanism-whistle-blower-policy20160407104143.pdf

i.) Unclaimed Dividends:

The shareholders who have not encashed their dividend warrants for the years 2008-09 onwards are requested to claim the amount from Big Share Services Private Ltd. or from the Company. As per Section 124 of the Companies Act, 2013 (corresponding to Section 205 of Companies Act, 1956), any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called the Investor Education and Protection Fund' set up by the Central Government. No claims shall lie against the fund or the Company in respect of the amount so transferred. Further, the Ministry of Corporate Affairs (MCA) vide its Notification dated 10th May, 2012 prescribed the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 which mandates all the companies to file the particulars of all the unclaimed and unpaid amounts through e-Form 5 INV on the web portal of MCA http://www.iepf.gov.in/IEPF/services.html and subsequently also upload the data on the website of the Company. The details of unclaimed dividends for the financial years 2007-08 to 2011-2012 have been uploaded on the Company's website http://www.arshiyalimited.com/assets/pdf/unpaid-dividend-statement.pdf. The Company had not paid any dividend post 2012.

j.) Disclosure of Accounting Treatment:

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

k.) Reconciliation of Share Capital Audit:

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

l.) Green initiative in the corporate governance:

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

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

During the year under review the Company has not made any public issue or rights issue of Equity Shares during the year and hence not received any proceeds therefrom.

However, the Company had made following preferential allotment (s):

Date of Allotment	Allottees	No of OCRPS	No of Warrants	No of Equity Shares	Amount Involved	No of warrants and OCRPS pending for conversion
22-02-2018	SICOM Limited	11,70,000		15,50,000	117,00,00,000	
22-02-2018	Capital First Limited			27,75,000	30,52,50,000	
22-02-2018	Axis Bank Limited			10,50,000	11,60,00,000	
08-11-2017	Mr. Ajay S Mittal			1,00,00,000	58,35,00,000	
08-11-2017	Mr. Ajay S Mittal		1,00,00,000	85,00,000	49,59,75,000	15,00,000
08-11-2017	EARC (On behalf of various Trusts)			3,21,62,304	187,66,70,438.40	
08-11-2017	EARC (On behalf of various Trusts)	64,23,329		15,88,038	65,87,09,904.60	57,64,619
08-11-2017	EARC (On behalf of various Trusts)	13,10,000		23,82,392	131,00,00,000	

08-11-2017	EARC (On behalf of various Trusts)	8,70,000		47,64,785	87,00,00,000	
08-11-2017	EARC (On behalf of various Trusts)	21,40,000		47,64,785	214,00,00,000	
27-10-2017	Mrs. Pushpalata Singhvi		15,00,000	15,00,000	8,75,25,000	
27-10-2017	Mr. S. Maheshwari		10,00,000	10,00,000	5,83,50,000	

n.) Management Discussion and Analysis:

Management Discussion and Analysis Report forms part of Annual Report.

o.) Non-mandatory requirements:

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

i. The quarterly/ half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on Company's website.

ii. The Internal Auditors report to the Audit Committee.

7. COMMUNICATION WITH THE SHAREHOLDERS

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

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

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

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

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

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

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

Means of communication

a) The quarterly, half-yearly and annual financial results are usually published in the Business Standard (English) and the Lakshadweep Newspaper (Marathi).

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

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

8. GENERAL SHAREHOLDER INFORMATION

a.) General Information:

Date and Time of 37th AGM	: September 18, 2018 at 03.00 P.M.
Venue of 37th AGM	: Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai- 400 018
Financial Year	: 2017-18
Registered Office address	: 302, Level 3, Ceejay House, Shiv Sagar Estate, F Block, Dr. Annie Besant Road, Worli, Mumbai–400018.
Compliance Officer	: Ms. Savita Dalal, Company Secretary & Compliance Officer
Website address	: www.arshiyalimited.com

b.) Tentative Financial Calendar:

First Quarter Results	:	On or before August 14, 2018
Half Yearly Results	:	On or before November 14, 2018
Third Quarter Results	:	On or before February 14, 2018
Audited Results for the year 2018-2019	:	On or before May 30, 2019

c.) Listing on Stock Exchanges:

The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Company has paid the Listing fees for the year 2017-2018

d.) Stock Code:

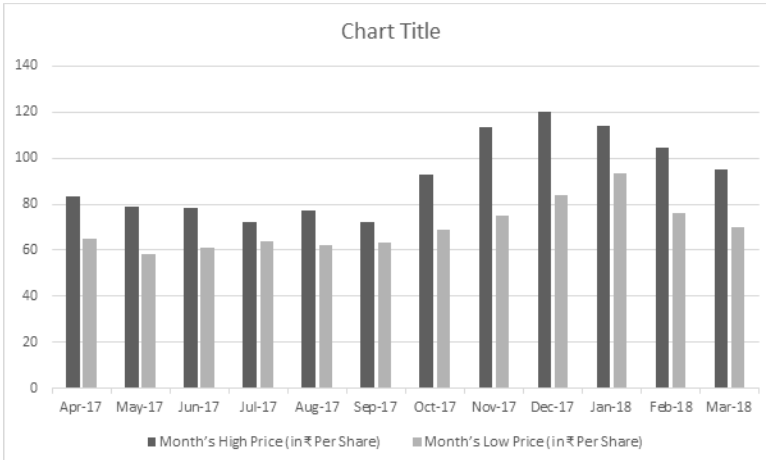
BSE Limited	:	506074
National Stock Exchange of India Limited	:	ARSHIYA

e.) Demat ISIN Number for CDSL and NSDL : INE968D01022

f.) Market Price Data and Relative Performance :

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

Month	Bombay Stock Exchange (BSE)*			B/S&P BSE SENSEX*	
	Month's High Price (in ₹ Per Share)	Month's Low Price (in ₹ Per Share)	Month's Volume	Month's High	Month's Low
April-2017	83.40	65.00	14,59,571.00	30,184.22	29,241.48
May-2017	79.00	58.30	8,18,507.00	31,255.28	29,804.12
June-2017	78.45	61.30	16,00,855.00	31,522.87	30,680.66
July-2017	72.50	64.00	2,80,150.00	32,672.66	31,017.11
August-2017	77.20	62.00	5,13,575.00	32,686.48	31,128.02
September-2017	72.00	63.10	2,24,029.00	32,524.11	31,081.83
October-2017	92.90	69.00	11,54,758.00	33,340.17	31,440.48
November-2017	113.65	75.30	28,37,671.00	33,865.95	32,683.59
December-2017	119.95	84.00	11,62,209.00	34,137.97	32,565.16
January-2018	113.90	93.45	6,46,339.00	36,443.98	33,703.37
February-2018	104.40	76.00	13,65,538.00	36,256.83	33,482.81
March-2018	95.00	70.10	15,35,611.00	34,278.63	32,483.84

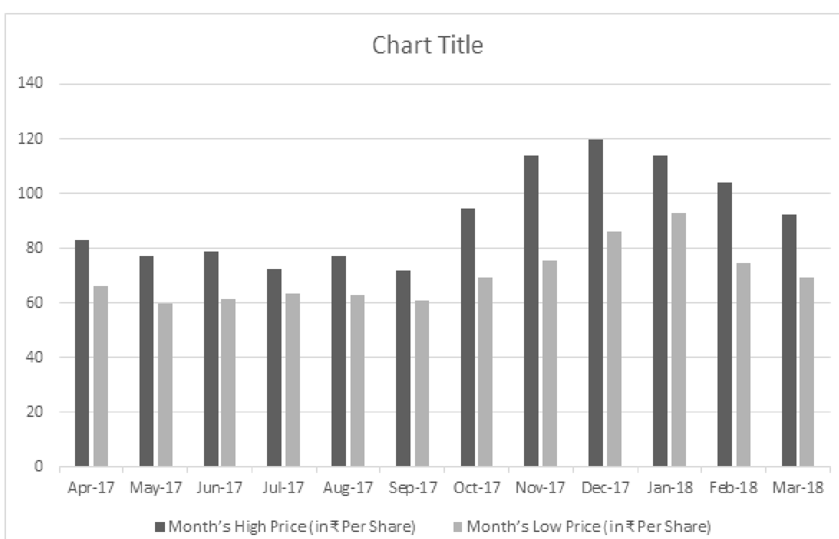


*Source: www.bseindia.com

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

Month	National Stock Exchange (NSE)#			NSE CNX NIFTY#	
	Month's High Price (in ₹ Per Share)	Month's Low Price (in ₹ Per Share)	Month's Volume	Month's High	Month's Low
April-2017	82.90	66.00	3,21,231.00	9,367.15	9,075.15
May-2017	77.15	59.50	2,43,720.00	9,649.60	9,269.90
June-2017	78.50	61.30	10,60,783.00	9,709.30	9,448.75
July-2017	72.50	63.40	2,57,334.00	10,114.85	9,543.55
August-2017	77.00	63.00	4,19,441.00	10,137.85	9,685.55
September-2017	72.00	60.65	2,05,723.00	10,178.95	9,687.55
October-2017	94.40	69.00	8,43,161.00	10,384.50	9,831.05
November-2017	114.00	75.50	76,21,221.00	10,490.45	10,094.0
December-2017	119.95	86.10	9,83,115.00	10,552.40	10,033.35
January-2018	113.75	92.85	4,92,796.00	11,171.55	10,520.10
February-2018	104.00	74.35	4,11,657.00	11,117.35	10,276.30
March-2018	92.45	69.20	9,33,690.00	10,525.50	9,951.90

#Source: www.nseindia.com



g.) Registrar & Share Transfer Agent:

Bigshare Services Private Ltd.
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Next to Keys Hotel, Makwana Road Andheri – East, Mumbai – 400059 Tel.: 91-22- 62638200/ Fax: 022 – 62638299 E-mail: info@bigshareonline.com

h.) Share Transfer System:

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

i.) Category wise distribution of equity shareholding as at March 31, 2018:

Category	**No. of Shares Held**	**% age of Shareholding**
Promoter and Promoter Group	12,56,20,225	55.04
Mutual Fund	25,000	0.01
Foreign Portfolio Investors	46,50,924	2.04
Bodies Corporate	6,87,68,782	30.13
Financial Institution/Banks	29,28,695	1.28
Individual		
Clearing Member	2,56,721	0.11
Director/relative	32,700	0.01
Employee	2,131	0.01
NRI	13,46,088	0.59
Foreign National	3,00,000	0.13
Foreign Company	23,67,120	1.04
Public	2,19,18,390	9.60
GRAND TOTAL	**22,82,16,776**	**100.0000**

j.) Distribution of shareholding as on March 31, 2018:

Number of Equity shares held	**Total Holders**	**% of total holders**	**Total Holding in ₹**	**% of Total Capital**
01 5000	9013	92.11	5897206	1.32
5001 - 10000	304	3.10	2262936	0.51
10001 - 20000	183	1.87	2796656	0.63
20001 - 30000	65	0.66	1656608	0.37
30001 - 40000	26	0.26	923358	0.21
40001 - 50000	17	0.17	804996	0.18
50001 - 100000	55	0.56	4119650	0.92
100001-99999999	125	1.25	437972142	95.95
Total	**9788**	**100**	**456433552**	**100**

k.) Dematerialization of shares and liquidity:

Approximately 99.77% of the total number of shares are in dematerialized form as on 31st March, 2018. The Equity shares of the Company are traded on the BSE Limited and National Stock Exchange of India Limited.

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

Sl. No.	Name of the Allottees	Date of shareholders' approval	Date of allotments	Outstanding warrants, convertible instruments	Impact on equity
1.	Mr. Ajay S Mittal	29.04.2017	08.11.2017	*15,00,000 (Warrants)	To be converted in 15,00,000 equity share
2.	EARC (on behalf of various Trusts)	29.04.2017	08.11.2017	57,64,619	(OCRPS-I) To be converted in 1,38,97,516 equity share

The Conversion Date shall be the date on which the EARC (on behalf of various Trusts) exercises its right to convert the OCRPS Series I into equity shares of the company, which can be any time within 18 months from the date of allotment of OCRPS Series I.

Converted into equity shares on April 20, 2018.

m.) Address for investor correspondence:

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

BIGSHARE SERVICES PRIVATE LTD.
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Next to Keys Hotel
Makwana Road, Andheri – East, Mumbai – 400059
Tel.: 91-22- 62638200/ Fax: 022 – 62638299
E-mail: info@bigshareonline.com

n.) For complaints/grievances, if any, members are requested to address the same to:
Arshiya Limited

Registered Office	Corporate Office
302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018 Phone No. +91 22 4230 5400 Fax No. +91 22 4230 5555	301, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018 Phone No. +91 22 4230 5400 Fax No. +91 22 4230 5555

Email: grv.redressal@arshiyalimited.com

o.) Details of non-compliance:

There was no non-compliance during the year and no penalties were imposed or strictures passed on the Company by any Stock Exchange, SEBI or any other statutory authority. A practicing company secretary has certified the compliance of the conditions of Corporate Governance and annexed the certificate with the Directors' Report.

Annexure- A

CEO and CFO CERTIFICATION

I, S. Maheshwari, Group President & Chief Financial Officer of Arshiya Limited, to the best of my knowledge and belief certify to the Board that:

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

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

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

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

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

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

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

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

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

S. MAHESHWARI
Group President & Chief Financial Officer

Date: May 24, 2018
Place: Mumbai

Annexure- B

CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
Arshiya Limited

We have examined the compliance of conditions of Corporate Governance by Arshiya Limited, for the year ended March 31, 2018 as per regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

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

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

We state that in respect of investor grievances received during the year ended March 31, 2018, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Committee.

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

For Aabid & Co.,
Practicing Company Secretary

Mohammad Aabid
Partner
C. P. No. 6625

Date: May 24, 2018
Place: Mumbai

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Members of
Arshiya Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Arshiya Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued there under. 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 standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

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

We conducted our audit of standalone Ind AS financial statement 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 these standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS 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 standalone Ind AS financial statements.

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

Basis for qualified opinion

(i) As mentioned in Note no. 42 of the standalone Ind AS Financial Statements, as per debt covenant of Restructuring Agreement (RA), the Company is required to adhere to repayment schedule and such event of default gives Edelweiss Assets Reconstruction Company Limited (EARC) right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Company. Pending exercise of conversion right, the Company continues to disclose amount bifurcated between non-current borrowing amounting to Rs. 536,88.13 Lakh and current maturity of borrowing amounting to Rs. 56,71.08 Lakh and provide for interest. Further, the Company is also liable to pay penal interest amounting to Rs. 10,65.92 Lakh for the year ended 31st March 2018, as confirmed by EARC. No provision for such interest is made in the books of account, which is not in compliance with requirements of Ind AS - 23 on "Borrowing Cost". Had provision for such amount would have been made finance

cost would have been higher by amount as mentioned above, total comprehensive income would have been lower to that extent and having consequential impact on other equity and financial liabilities.

(ii) As mentioned in Note no. 43 of the standalone Ind AS Financial Statement, the Company failed to adhere to the repayment schedule prescribed in supplement consent terms. As a result, event of default has occurred and the entire debt prior to date of settlement become payable along with interest. The Company has not reversed amount written back on settlement of first consent terms of Rs. 17,19.59 Lakh and not accrued interest amounting to Rs. 2,37.50 Lakh. Had the Company reversed the amount written back and made provision for interest, finance cost and other expense would have been higher by amount as mentioned above, having consequential impact on total comprehensive income, other equity and financial liabilities.

(iii) We draw attention to the Note no. 44 of the standalone Ind AS Financial Statement, wherein it is mentioned that lenders of the one subsidiary have invoked corporate guarantee given by the Company and no accounting impact of the same is recognized in the books of account pending settlement of the matter. The same is not in compliance with requirements of Ind AS - 109 on "Financial Instruments". We are unable to comment on the consequential impact, if any, on financial statements for the year ended 31st March 2018.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Paragraphs above "Basis for Qualified Opinion", the aforesaid standalone Ind AS 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 including Ind AS specified under Section 133 of the Act, of the financial position of the Company as at 31st March 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Company had prepared the audited financial statements for the corresponding year ended 31st March, 2017 and transition date opening balance sheet as at 1st April 2016 in accordance with the Companies (Accounting Standards) Rules, 2006 referred to in Section 133 of the Act, on which M. A. Parikh & Co., Chartered Accountants (Firm registration no. 107556W) vide their audit report dated 18th May, 2017 and 25th May 2016, respectively, had issued an modified audit report. The financial statements for the year ended 31st March, 2017 and transition date opening balance sheet as at 1st April 2016 are based on previously audited financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of above said matter.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. Further to our comment in the Annexure A, 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. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, 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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

d. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements comply with Ind AS prescribed under Section 133 of the Act read with relevant rules there under;

e. On the basis of the written representations received from the directors of the Company as on 31st March, 2018 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2018 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"**;

g. The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

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

i. The Company, as detailed in Note no. 35.1 (i to iv) and 36 to the standalone Ind AS financial statements has disclosed the impact of pending litigations on 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 has been no delay in transferring amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: 24th May 2018

"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Limited on the standalone Ind AS financial statements for the year ended 31st March 2018)

(i) In respect of fixed assets:-

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

(b) As explained to us, the Company has physically verified fixed assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.

(c) In our opinion and according to information and explanation given to us and on the basis of our examination of available records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is engaged in the business and development of Free Trade and Warehousing Zone (FTWZ) and Domestic Warehousing and does not have any inventory during the year therefore considering the nature of services; the Provisions of Clause 3(xii) of the Order are not applicable to the Company.

(iii) In respect of unsecured loans granted by the Company to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. According to the information and explanations given to us:

(a) In our opinion and according to the information and explanations provided to us, the terms and conditions of the grant of such loans are prima facie not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/ receipts are regular.

(c) There are no overdue amounts as at the year-end in respect of both principal and interest.

(iv) In our opinion and according to the information and explanations provided to us, provisions of section 185 and 186 of the Companies Act 2013, in respect of loans, investments, guarantees and security, as applicable, have been complied with.

(v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. During the year, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

(vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of services rendered. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the records of the company and information and explanations given to us, the Company has generally been regular except slight delays in few cases, in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues to the appropriate authorities as applicable during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable except Tax deducted at Source amounting to Rs. 256.43 Lakh and interest on tax deducted at source amounting to Rs. 612.00 Lakh.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and goods and service tax, which have not been deposited on account of any dispute except as mentioned below:-

(Rs. In Lakh)

Name of the Statute	**Nature of Dues**	**Amount Disputed**	**Period to which Dispute Relates**	**Forum where Dispute is Pending**
Income Tax Act, 1961	Income Tax	71,02.28	Assessment year 2009-2010 to 2014-2015	commissioner of income tax
Value Added Tax	Maharashtra Value Added Tax	20.51	Financial Year 2005-2006	Deputy commissioner of sales tax
	Total	**71,22.79**		

(viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at balance sheet date except as mentioned below. There are no dues to debenture holders and government as at the balance sheet date.

Defaults in respect of bank and financial institutions are as under:-

(Rs. In Lakh)

Particulars	Amount of continuing default as on 31st March, 2018		Period of Default
	Principal	Interest	
Edelweiss Asset Reconstruction Company Limited – various trust	56,71.09	-	Financial year 2017-2018
Edelweiss Asset Reconstruction Company Limited - SC 162	4,28.00	-	Financial year 2017-2018
Axis Bank	14,91.67	32.15	Financial year 2017-2018
Tata Capital Financial Services Limited	9,75.00	-	Financial year 2017-2018
Total	**85,65.76**	**32.15**	

(ix) According to the information and explanations given to us, the Company did not raise any moneys by way of initial public offer, further public offer (including debt instruments). In respect of term loan taken during the year, moneys were applied for the purpose for which it was raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid or provided managerial remuneration during the year.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

(xiv) The Company has made preferential allotment of equity shares during the year under review and the requirement of Section 42 of the Companies Act, 2013 have been complied with. The Company has not made private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: 24th May 2018

“Annexure B” to the Independent Auditor’s Report

Referred to in paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of the Arshiya Limited on the standalone Ind AS financial statements for the year ended 31st March 2018.

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

We have audited the internal financial controls over financial reporting of Arshiya Limited (“the Company”) as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS 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. 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 judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management, directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the standalone Ind AS 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

According to the information and explanations given to us and based on the audit of test of controls, 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, 2018, 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 Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: 24th May 2018

Balance Sheet as at 31st March, 2018

(Rs. in Lakh)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	5	94,138.63	1,23,512.47	1,22,577.45
(b) Intangible Assets	6	1,235.96	432.02	588.57
(c) Financial Assets				
(i) Investments	7	1,32,018.03	1,36,033.06	87,155.74
(ii) Loans	8	1,731.47	1,545.96	1,380.32
(d) Other Non-Current Assets	9	2,273.81	1,483.52	5,773.28
		2,31,397.90	**2,63,007.03**	**2,17,475.36**
Current assets				
(a) Financial Assets				
(i) Trade Receivables	10	764.60	217.80	1,208.78
(ii) Cash and Cash Equivalents	11	135.69	77.16	208.43
(iii) Bank Balances Other than (ii) above	12	0.04	0.04	188.03
(iv) Loans	13	33,279.99	1.80	5,355.02
(v) Other Financial Assets	14	1,458.30	-	10.00
(b) Other Current Assets	15	2,319.64	2,130.56	2,179.45
		37,958.26	**2,427.36**	**9,149.71**
Total Assets		**2,69,356.16**	**2,65,434.39**	**2,26,625.07**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	16	4,564.34	3,123.59	3,123.59
(b) Other Equity	17	1,61,263.30	1,19,737.06	19,621.01
		1,65,827.64	**1,22,860.65**	**22,744.60**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	68,839.87	74,136.67	19,729.06
(ii) Other Financial Liabilities	19	2,191.60	9,369.97	9,928.82
(b) Provisions	20	151.02	132.36	88.02
(c) Other Non-Current Liabilities	21	-	1,631.48	2,117.81
		71,182.49	**85,270.48**	**31,863.71**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	10,488.81	4,942.09	11,946.86
(ii) Trade Payables	23	582.55	367.80	226.02
(iii) Other Financial Liabilities	24	20,202.62	50,093.58	1,58,282.82
(b) Other Current Liabilities	25	1,062.48	1,890.87	1,554.58
(c) Provisions	26	9.57	8.92	6.48
		32,346.03	**57,303.26**	**1,72,016.76**
Total Equity and Liabilities		**2,69,356.16**	**2,65,434.39**	**2,26,625.07**
Notes to the financial statements	1 to 64			

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Place: Mumbai
Date: 24th May 2018

Savita Dalal
Company Secretary

Vinod Kumar Jain
VP - Accounts & Finance

Statement of Profit and Loss for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	Notes	Year Ended 31st March, 2018	Year Ended 31st March, 2017
INCOME			
Revenue from operations	27	8,542.02	8,073.39
Other income	28	1,020.09	974.73
Total Income (I)		**9,562.11**	**9,048.12**
EXPENSES			
Material handling and other charges	29	320.61	301.09
Employee benefits expenses	30	1,456.61	1,366.49
Finance costs	31	12,458.52	13,049.51
Depreciation and amortization expenses	32	2,091.67	2,181.46
Other expenses	33	1,332.46	1,197.25
Total Expenses (II)		**17,659.87**	**18,095.80**
Profit/(loss) before exceptional items and tax (I-II)		**(8,097.76)**	**(9,047.68)**
Exceptional Items (net)	34	(13,296.84)	(2,030.04)
Profit/(loss) before tax		**5,199.08**	**(7,017.64)**
Tax expense:	**58**		
Current tax		-	-
Deferred tax		-	-
Profit/(loss) for the year		**5,199.08**	**(7,017.64)**
OTHER COMPREHENSIVE INCOME			
Item not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains/(losses) on defined benefit plans		(2.69)	(9.03)
Other Comprehensive income for the year		**(2.69)**	**(9.03)**
Total Comprehensive Income for the year		**5,196.39**	**(7,026.67)**
Earning per share (face value of Rs. 2 each)	57		
Basic and Diluted		2.84	(4.49)
Notes to the financial statements	1 to 64		

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 24th May 2018

For and on behalf of the Board of Directors of
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Chief Financial Officer

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Company Secretary

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VP - Accounts & Finance

Statement of changes in Equity for the year ended 31st March, 2018

A. Equity Share Capital (Refer Note No. 16)

Particulars	Rs. in Lakh
Equity Shares of Rs. 2 each issued, subscribed and paid up	
As at 1st April, 2016	3,123.59
Issue of Equity Shares	-
As at 31st March, 2017	**3,123.59**
Issue of Equity Shares	1,440.75
As at 31st March, 2018	**4,564.34**

B. Other Equity (Refer Note No. 17) (Rs. in Lakh)

Particulars	Other Reserves				Reserve and Surplus			Total
	Share application money pending allotment	Money received against share warrants	Equity Component of 0% Optionally Convertible Preference shares (OCRPS)	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings	
Balances as on 1st April, 2016	-	-	-	124.80	79,844.68	940.18	(61,288.65)	19,621.01
Profit/(loss) for the year	-	-	-	-	-	-	(7,017.64)	(7,017.64)
Other comprehensive income	-	-	-	-	-	-	(9.03)	(9.03)
Total comprehensive income for the year	-	-	-	-	-	-	(7,026.67)	(7,026.67)
Transaction costs on issue of equity shares	-	-	-	-	(227.25)	-	-	(227.25)
Prior period adjustments	-	-	-	-	-	-	(17.60)	(17.60)
Equity share application money pending allotment	18,766.71	-	-	-	-	-	-	18,766.71
Issue of 0% optionally convertible redeemable preference shares (OCRPS)	-	-	88,620.84	-	-	-	-	88,620.84
Balances as at 31st March, 2017	18,766.71	-	88,620.84	124.80	79,617.43	940.18	(68,332.91)	1,19,737.06
Profit/(loss) for the year	-	-	-	-	-	-	5,199.08	5,199.08
Other comprehensive income	-	-	-	-	-	-	(2.69)	(2.69)
Total comprehensive income for the year	-	-	-	-	-	-	5,196.39	5,196.39
On issue of equity shares	(18,766.71)	-	(41,068.97)	-	95,278.86	-	-	35,443.17
Money received against share warrants	-	860.25	-	-	-	-	-	860.25
Transaction costs on issue of equity shares	-	-	-	-	(37.62)	-	-	(37.62)
Fair value of financial liabilities	-	-	-	-	-	-	64.05	64.05
Balances as at 31st March, 2018	-	860.25	47,551.87	124.80	1,74,858.67	940.18	(63,072.47)	1,61,263.30

Notes to the financial statements

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 24th May 2018

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

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Company Secretary

Vinod Kumar Jain
VP - Accounts & Finance

Cash Flow Statement for the Year Ended 31st March, 2018

(Rs. in Lakh)

Particulars		Year Ended 31st March, 2018	Year Ended 31st March, 2017
Cash flow from operating activities			
Profit/(Loss) before tax		5,199.08	(7,017.64)
Adjustments for			
Mark to Market gain		-	(233.40)
Sundry balances written back (net)		(175.85)	(33.52)
Recovery of bad debts		-	(38.00)
Property, plant and equipment written off		-	344.57
Gain on monetization of Property, Plant and Equipment		(15,633.29)	-
Excess provision written back		-	(35.31)
Excess Remuneration to Whole Time Director recovered		-	(83.52)
Irrecoverable advance written off		-	139.54
Allowance for doubtful debts and advances		7.33	0.36
Compensation on shares invoked by lender		-	659.30
Reconciliation of loan account (net)		-	1,712.61
Settlement of claims		(2,001.74)	(8,080.95)
Loss on sale of investment in subsidiaries		4,338.19	2,272.81
Provision for doubtful Advances		-	1,395.00
Provision for Interest on statutory dues written back		-	(82.69)
Depreciation and amortization expense		2,091.67	2,181.46
Finance costs		12,458.52	13,049.51
Unwinding interest income on loan to subsidiaries		(185.51)	(165.64)
Interest income on fixed deposits		-	(0.99)
Financial guarantees income		(639.31)	(759.54)
Foreign exchange difference (net)		(15.22)	3.85
Operating profit before working capital changes		**5,443.87**	**5,227.82**
Adjustments for			
(Increase)/Decrease in financial and other assets		(2,183.18)	978.47
Decrease in financial and other liabilities		(11,630.30)	(4,277.80)
Cash generated from operations		**(8,369.61)**	**1,928.49**
Direct taxes paid (net of refunds)		(705.14)	(99.59)
Net cash flow from operating activities	**(A)**	**(9,074.75)**	**1,828.90**
Cash flow from investing activities			
Purchase of property, plant and equipments		(89.78)	(391.09)
Purchase of intangible assets		(1,120.00)	-
Proceeds from sale of property, plant and equipment		60.00	-
Proceeds from monetization of property, plant and equipments (Refer Note No. 54)		43,400.00	-
Capital advance		(88.24)	(53.43)
Investment made in equity shares		(155.50)	(18.85)
Sale of Investment in subsidiaries		330.84	4.00
Loans given to subsidiaries (net)		(33,278.20)	(2,021.07)
Interest income on fixed deposits		-	0.99
Net cash flow from investing activities	**(B)**	**9,059.12**	**(2,479.45)**

(Rs. in Lakh)

Particulars		Year Ended 31st March, 2018	Year Ended 31st March, 2017
Cash flow from financing activities			
Issue of Equity shares (including Security Premium)		15,268.38	-
Money received against share warrants		860.25	-
Proceeds from non-current borrowings		3,200.00	6,465.45
Repayment of non-current borrowings		(18,071.01)	-
Short-term borrowings (Net)		5,543.64	(7,004.78)
Interest paid		(6,727.10)	870.62
Net cash flow from financing activities	**(C)**	**74.16**	**331.29**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		**58.53**	**(319.26)**
Cash and cash equivalents at the beginning of the year		77.20	396.46
Cash and cash equivalents at the end of the year (Refer Note No. 11 and 12)		**135.73**	**77.20**

Change in liabilities arises from financing activities (Rs. in Lakh)

Particulars	Long term Borrowings	Short term Borrowings
As at 1st April, 2017	1,02,958.58	4,942.09
Less: IND AS Adjustments	(6,621.81)	-
Add: Non cash items	2,541.38	3.08
Add/Less: Cash flow	(14,871.01)	5,543.64
As at 31st March, 2018	84,007.14	10,488.81

Notes:
1. Bracket indicates cash outflow.
2. The above cash flow statement has been prepared under the “Indirect Method” as set out in IND AS 7 on Statement of Cash Flow.

Notes to the financial statements 1 to 64

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 24th May 2018

For and on behalf of the Board of Directors of
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DIN: 00049591

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Vinod Kumar Jain
VP - Accounts & Finance

Notes to the financial statements for the year ended 31st March, 2018

1 Corporate Information

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

These statements comprises of financial statements of Arshiya limited (CIN : L93000MH1981PLC024747) for the year ended 31st March, 2018. The Company is a public company domiciled in India and is incorporated on 3rd July, 1981 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

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

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

The Financial statements of the Company for the year ended 31st March, 2018 were approved and adopted by the Board of Directors in their meeting held on 24th May, 2018.

2 Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015, (as amended) and the relevant provisions of the Companies Act, 2013 ("the Act").

The financial statements for all periods upto and including year ended 31st March 2017, were prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP"), as prescribed under the Section 133 of the Act read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016 and the relevant provisions of the Act (to the extent notified). The financial statements for the year ended 31st March, 2018 are the first financial statements prepared by the Company in accordance with IND AS.

The financial statements are prepared on a historical cost convention basis, except for certain financial assets and liabilities measured at fair value.

The financial statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency and all values are rounded to the nearest lakh, except when otherwise indicated.

3 Significant Accounting Policies

3.1 Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.

Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the period of lease. Depreciation on property, plant and equipment which are added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated and under the previous GAAP land was revalued.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Notes to the financial statements for the year ended 31st March, 2018

The Company has opted to continue with the carrying values of all of its property, Plant and Equipment as recognised in the previous GAAP financial statements as deemed cost at the transition date i.e. 1st April, 2016.

3.2 Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Cost of Enterprise Resource Planning (ERP) software including expenditure on implementation is to be 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.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of three to seven years. The assets' useful lives are reviewed at each financial year end.

Trademark are amortised over the period of ten (10) years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Company has opted to continue with the carrying values of all of its Intangible assets as recognised in the previous GAAP financial statements as deemed cost at the transaction date i.e. 1st April, 2016.

3.3 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

3.4 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

The Company as a lessee

(a) Finance lease

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

(b) Operating lease

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

The Company as a lessor

(a) Finance lease

When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

The lessor derecognises the leased assets and recognises the difference between the carrying amount of the leased assets and the finance lease receivable in the statement of Profit and Loss when recognising the finance lease receivable. This gain or loss is presented in the statement of Profit and Loss in the same line item as that in which the lessor presents gains or losses from sale of similar assets.

Notes to the financial statements for the year ended 31st March, 2018

(b) Operating lease

Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets is diminished.

Initial indirect costs incurred in negotiating and arranging as operating lease are added to carrying value of the leased asset and recognised on a straight line basis over the lease term.

3.5 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.6 Impairment of assets

An asset is considered as impaired when at the date of Balance Sheet, there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the statement of profit and loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

3.7 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets -Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

(ii) Financial assets - Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-

a) Financial assets at fair value
b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

(a) Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.

(b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

(a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

Notes to the financial statements for the year ended 31st March, 2018

(b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - Equity Investment in subsidiaries
Investments in subsidiaries are recognised at cost as per Ind AS 27 in these separate financial statements.

Transition to Ind AS
Upon first-time adoption of Ind AS, the Company has elected to continue with the carrying value of all of its investments in subsidiaries as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investments in subsidiaries.

In respect of interest free loans given to subsidiaries, the difference between the loan amount and its fair value is treated as further investment by the Company in the respective subsidiaries. Where financial guarantees in relation to loans of subsidiaries are provided for no compensation, the fair values are added to investment by the Company in respective subsidiaries.

The Company has accounted for its equity investment in subsidiaries at cost.

Financial assets - Derecognition
A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

(a) The rights to receive cash flows from the asset have expired, or
(b) The Company has transferred its rights to receive cash flow from the asset.

(2) Financial liabilities - Initial recognition and measurement:
The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of financial instruments, or where appropriate, a shorter period.

Financial liabilities - Subsequent measurement
Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are approximate at their fair value due to the short maturity of these instruments.

Financial Liabilities - Financial guarantee contracts
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Financial Liabilities - Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Compound Instruments
An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound

Notes to the financial statements for the year ended 31st March, 2018

instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

3.8 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.9 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

3.10 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and specific criteria have been met for each of the company activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Income from allotment of warehousing spaces and open yard area for use are recognised for the period the material is lying in area as per agreed terms.

(ii) Revenue from valued services and other activities is recognised when related services are performed as per the contractual terms.

(iii) Income from Business Conducting Fees shall be recognised as per contractual terms.

(iv) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(v) Export benefits under Foreign Trade Policy are recognised when utilized.

3.11 Foreign currency reinstatement and translation:

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates as on balance sheet date and the resulting exchange difference recognised in statement of profit and loss. Differences arising on settlement of monetary items are also recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the

Notes to the financial statements for the year ended 31st March, 2018

item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

3.12 Employee benefits

Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered.

(a) Defined Contribution Plan

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

(b) Defined Benefit Plan

Leave encashment being a defined benefit plan is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise. Other costs are accounted in statement of profit and loss.

The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

3.13 Taxes on Income

Income tax expense represents the sum of current tax (including MAT and income tax for earlier years) and deferred tax . Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Notes to the financial statements for the year ended 31st March, 2018

3.14 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

3.15 Earnings per Share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.16 Current and non-current classification

"The Company presents assets and liabilities in statement of financial position based on current/non-current classification. The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA."

An asset is classified as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
(b) Held primarily for the purpose of trading,
(c) Expected to be realised within twelve months after the reporting period, or
(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

(a) Expected to be settled in normal operating cycle,
(b) Held primarily for the purpose of trading,
(c) Due to be settled within twelve months after the reporting period, or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

3.17 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

Notes to the financial statements for the year ended 31st March, 2018

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy.

3.18 Off-setting financial Instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

3.19 Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

3.20 Contributed Equity

Equity Shares are classified as equity, incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax from the proceeds.

3.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activites of the Company are segregated based on the available information.

3.22 Business combinations

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
(iii) Adjustments are only made to harmonise accounting policies.
(iv) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

(v) The balance of the Retained Earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.
(vi) The identities of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
(vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to Capital Reserve and is presented separately from Other Capital Reserves.

4 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material

Notes to the financial statements for the year ended 31st March, 2018

adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.1 Property, plant and equipment and Intangible Assets

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

4.2 Income Tax

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

4.3 Contingencies

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

4.4 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.5 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

4.6 Defined benefits plans

The Cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.7 Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

4.8 Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

Notes to the financial statements for the year ended 31st March, 2018

4.9 Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Property, Plant and Equipment

(Rs. in Lakh)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Equipments	Computers	Leasehold Improvements	Total
Gross Carrying Value (at deemed cost)									
As at 1st April, 2016	**74,172.72**	**42,099.06**	**3,763.20**	**734.76**	**48.96**	**1,656.10**	**69.28**	**33.37**	**1,22,577.45**
Additions	3,266.52	-	-	1.83	-	35.37	0.79	-	3,304.51
Disposals	-	-	(351.36)	-	-	-	-	-	(351.36)
Other Adjustments	-	-	-	-	-	-	(0.06)	-	(0.06)
As at 31st March, 2017	**77,439.24**	**42,099.06**	**3,411.84**	**736.59**	**48.96**	**1,691.47**	**70.01**	**33.37**	**1,25,530.54**
Additions	59.02	-	-	-	-	30.76	-	-	89.78
Disposals (Refer Note No.54)	(9,337.96)	(17,202.94)	(1,231.14)	(532.44)	-	(704.65)	-	-	(29,009.13)
As at 31st March, 2018	**68,160.30**	**24,896.12**	**2,180.70**	**204.15**	**48.96**	**1,017.58**	**70.01**	**33.37**	**96,611.19**
Accumulated Depreciation									
Depreciation for the year	-	1,045.60	328.30	140.97	16.40	452.08	23.27	18.23	2,024.85
Disposals	-	-	(6.78)	-	-	-	-	-	(6.78)
As at 31st March, 2017	**-**	**1,045.60**	**321.52**	**140.97**	**16.40**	**452.08**	**23.27**	**18.23**	**2,018.07**
Depreciation for the year	-	999.65	304.05	124.84	13.09	320.41	8.67	4.90	1,775.61
Disposals	-	(539.43)	(207.43)	(180.24)	-	(394.02)	-	-	(1,321.12)
As at 31st March, 2018	**-**	**1,505.82**	**418.14**	**85.57**	**29.49**	**378.47**	**31.94**	**23.13**	**2,472.56**
Net Carrying value as at 31st March, 2018	**68,160.30**	**23,390.30**	**1,762.56**	**118.58**	**19.47**	**639.11**	**38.07**	**10.24**	**94,138.63**
Net Carrying value as at 31st March, 2017	**77,439.24**	**41,053.46**	**3,090.32**	**595.62**	**32.56**	**1,239.39**	**46.74**	**15.14**	**1,23,512.47**
Net Carrying value as at 1st April, 2016	**74,172.72**	**42,099.06**	**3,763.20**	**734.76**	**48.96**	**1,656.10**	**69.28**	**33.37**	**1,22,577.45**

Notes:

1) Freehold Land includes Rs. 9,735.11 Lakh situated at Nagpur, which is under possession of a lender as per the Order of Hon'ble High Court of Bombay dated 9th May, 2013.

2) Land measuring 42.59 Acres amounting to Rs. 7,499.35 Lakh is used for Domestic warehousing purpose located at Khurja, Bulandshahr, Uttar Pradesh.

3) In accordance with the Indian Accounting Standard (IND AS -36) on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2018.

4) The carrying value (Gross Block less accumulated depreciation and amortisation) as on 1st April, 2016 of the Property, plant and equipment is considered as a deemed cost on the date of transition.

Notes to the financial statements for the year ended 31st March, 2018

6. Intangible Assets

(Rs. in Lakh)

Particulars	Trade Mark	Software	Total
Gross Carrying Value (at deemed cost)			
As at 1st April, 2016	**0.49**	**588.08**	**588.57**
Additions/other adjustments	-	0.06	0.06
As at 31st March, 2017	**0.49**	**588.14**	**588.63**
Additions	-	1,120.00	1,120.00
Disposals	-	-	-
As at 31st March, 2018	**0.49**	**1,708.14**	**1,708.63**
Accumulated Amortisation			
Amortisation for the year	0.20	156.41	156.61
Deductions	-	-	-
As at 31st March, 2017	**0.20**	**156.41**	**156.61**
Amortisation for the year	0.17	315.89	316.06
Deductions	-	-	-
As at 31st March, 2018	**0.37**	**472.30**	**472.67**
Net Carrying value as at 31st March, 2018	**0.12**	**1,235.84**	**1,235.96**
Net Carrying value as at 31st March, 2017	**0.29**	**431.73**	**432.02**
Net Carrying value as at 1st April, 2016	**0.49**	**588.08**	**588.57**

Note:

1) The carrying value (Gross Block less accumulated amortisation) as on 1st April, 2016 of the Intangible assets is considered as a deemed cost on the date of transition.

Particulars	As at 31st Mar 2018		As at 31st Mar 2017		As at 1st Apr 2016	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Financial Assets						
7. Investments						
Non Current Unquoted Investments carried at Cost						
Investments in Equity Instruments of Subsidiaries						
Arshiya Hong Kong Limited (the face value of USD 1 each)	-	-	-	-	3,00,000	532.50
Cyberlog Technologies International Pte. Limited (the face value of SGD 0.10 each)	-	-	-	-	25,00,000	605.00
Arshiya International Singapore Pte. Limited (the face value of SGD 1 each)	-	-	-	-	1,00,000	34.31
Arshiya Central FTWZ Limited (the face value of Rs. 10 each) @	-	-	-	-	1,10,50,000	1,105.00
Arshiya Supply Chain Management Private Limited (the face value of Rs. 10 each) #	-	-	33,08,333	4,669.03	33,08,333	4,669.03
(included deemed investment on 31st March, 2017 Rs. 409.03 Lakh and 1st April, 2016 Rs. 409.03 Lakh)						

Notes to the financial statements for the year ended 31st March, 2018

Particulars	As at 31st Mar 2018		As at 31st Mar 2017		As at 1st Apr 2016	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Arshiya Industrial & Distribution Hub Limited (the face value of Rs. 10 each) @	1,72,37,152	45,612.51	1,72,37,152	45,612.51	1,35,86,659	23,093.78
(included deemed investment on 31st March, 2018 Rs. 1,112.79 Lakh, 31st March, 2017 Rs. 1,112.79 Lakh and 1st April, 2016 Rs. 1,037.63 Lakh)						
Arshiya Northern FTWZ Limited (the face value of Rs 10 each) @	1,08,68,677	45,322.25	1,08,68,677	45,322.25	95,50,626	31,978.34
(included deemed investment on 31st March, 2018 Rs. 696.96 Lakh, 31st March, 2017 Rs. 696.96 Lakh and 1st April, 2016 Rs. 533.57 Lakh)						
Arshiya Rail Infrastructure Limited (the face value of Rs. 10 each) @	4,23,84,417	40,105.02	4,23,84,417	40,105.02	3,87,32,491	24,864.69
(included deemed investment on 31st March, 2018 Rs. 1,735.82 Lakh, 31st March, 2017 Rs. 1,735.82 Lakh and 1st April, 2016 Rs. 1,448.70 Lakh)						
Arshiya Transport and Handling Limited (the face value of Rs 10 each)	50,000	307.40	50,000	307.40	50,000	307.40
(included deemed investment on 31st March, 2018 Rs. 302.40 Lakh, 31st March, 2017 Rs. 302.40 Lakh and 1st April, 2016 Rs. 302.40 Lakh)						
Arshiya Technologies (India) Private Limited (the face value of Rs. 10 each)	1,01,158	2.00	1,01,158	2.00	10,000	1.00
Arshiya Lifestyle Ltd. (the face value of Rs. 10 each)	14,85,000	513.35	14,85,000	14.85	-	-
(included deemed investment on 31st March, 2018 Rs. 498.49 Lakh, 31st March, 2017 Rs. Nil)						
Arshiya Logistics Services Limited (Formerly known as Laxmipati Balaji Exim Trading Ltd.) (the face value Rs. 10 each)	16,00,000	155.50	-	-	-	-
Less:- Provision for impairment in the value of Investment		-		-		(35.31)
Total		**1,32,018.03**		**1,36,033.06**		**87,155.74**

(All the above equity shares are fully paid up)

@ As per debt covenents the Company is required to pledge 100% of the shareholding in favor lenders however the Comapny has pledged following number equity shares only:

i) 31st March, 2018 - 79,46,624 (31st March 2017 - 79,46,624, 1st April, 2016 - 79,46,624) equity shares in Arshiya Northern FTWZ Limited,

ii) 31st March, 2018 - 1,35,86,659 (31st March, 2017 - 1,35,86,659, 1st April, 2016 - 1,35,86,659) equity shares in Arshiya Industrial & Distribution Hub Limited,

iii) 31st March, 2018 - 3,87,32,491 (31st March, 2017 - 3,87,32,491, 1st April, 2016 - 3,87,32,491) equity shares in Arshiya Rail Infrastructure Limited and

iv) 31st March, 2018 - Nil (31st March, 2017 - Nil, 1st April, 2016 - 1,10,50,000) equity shares in Arshiya Central FTWZ Limited

# denotes disposed off (Refer Note No. 45.2)

Notes to the financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	As at 31st Mar 2018	As at 31st Mar 2017	As at 1st Apr 2016
Non- Current Financial Assets			
8. Loans			
Unsecured, considered good unless otherwise stated			
Loans to Subsidiaries (Refer Note No. 55)	1,731.47	1,545.96	1,380.32
Total	**1,731.47**	**1,545.96**	**1,380.32**
Non-Current Assets			
9. Other Non- Current Assets			
Capital Advances			
Considered good	90.65	2.41	4,396.94
Considered doubtful	1,395.00	1,395.00	-
	1,485.65	**1,397.41**	**4,396.94**
Less: Provision for doubtful advances	(1,395.00)	(1,395.00)	-
	90.65	**2.41**	**4,396.94**
Security Deposits	60.89	63.98	58.79
TDS Receivables/Taxes paid	2,122.27	1,417.13	1,317.55
Total	**2,273.81**	**1,483.52**	**5,773.28**
Current Financial Assets			
10. Trade Receivables			
Unsecured			
Considered good (Receivables from Related party (Refer Note No. 55))	781.29	227.16	1,217.78
Considered doubtful	-	29.95	35.00
	781.29	**257.11**	**1,252.78**
Provision for Doubtful debts	-	(29.95)	(35.00)
Expected credit losses	(16.69)	(9.36)	(9.00)
	(16.69)	**(39.31)**	**(44.00)**
Total	**764.60**	**217.80**	**1,208.78**
11. Cash and Cash Equivalents			
Balances with banks:			
- in current accounts	130.78	58.36	33.31
- Deposits with original maturity of less than three months	-	-	173.00
Cash on hand	4.91	18.80	2.12
Total	**135.69**	**77.16**	**208.43**

Notes to the financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	As at 31st Mar 2018	As at 31st Mar 2017	As at 1st Apr 2016
12. Other Bank Balances			
Balances with banks to the extent held as margin money	-	-	187.99
Balance with bank in Unpaid dividend account	0.04	0.04	0.04
Total	**0.04**	**0.04**	**188.03**
13. Loans			
Unsecured, considered good unless otherwise stated			
Loans to Subsidiaries (Refer Note No. 55)	33,279.99	1.80	5,355.02
Total	**33,279.99**	**1.80**	**5,355.02**
14. Other Financial Assets			
Security Deposits	-	-	10.00
Margin money with Lender*	170.00	-	-
Other recoverables	1,288.30	-	-
Total	**1,458.30**	**-**	**10.00**
* To be adjusted at time of final settlement			
15. Other Current Assets			
Advances to Suppliers	208.74	53.24	52.67
Prepaid expenses	54.73	23.30	126.13
Indirect tax refund receivables	1,956.17	1,950.25	1,938.98
Cash seized by Income Tax (Refer Note No 47)	100.00	61.67	61.67
Excess Remuneration recoverable from Director (Refer Note No.48)	-	42.10	-
Total	**2,319.64**	**2,130.56**	**2,179.45**

16. Share Capital			
Authorised			
(i) 24,75,00,000 (31st March, 2017 - 21,00,00,000, 1st April, 2016 - 21,00,00,000) Equity Shares of Rs. 2 each	4,950.00	4,200.00	4,200.00
(ii) 1,10,00,000 (31st March, 2017 - Nil, 1st April, 2016 - Nil) Preference Shares of Rs. 10 each	1,100.00	-	-
Total	**6,050.00**	**4,200.00**	**4,200.00**
Equity Share Capital - issued, subscribed and fully paid			
22,82,16,776 (31st March, 2017 - 15,61,79,472, 1st April, 2016 - 15,61,79,472) Equity shares of Rs. 2 each	4,564.34	3,123.59	3,123.59
Total	**4,564.34**	**3,123.59**	**3,123.59**

Notes to the financial statements for the year ended 31st March, 2018

(a) Terms and rights

(i) Terms and rights attached to equity shares

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

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

(ii) Terms and rights attached to 0% Optionally Convertible Redeemable Preference Shares (OCRPS)

The Company has five class of optionally convertible redeemable preference shares (OCRPS I / II / III / IV / V) having a par value of Rs. 10 per share. Each holder of OCRPS has right / entitled to convert into equity shares within 18 months from the date of issue or redemption on or after 20 years in terms of special resolution passed on 29th April, 2017 and 29th January, 2018 as per applicable provisions of Companies Act, 1956/Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulation.

(b) Reconciliation of equity shares and optionally convertible preference shares

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

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April, 2016	
	Number of Shares	Rs. in Lakh	Number of Shares	Rs. in Lakh	Number of Shares	Rs. in Lakh
Balance as at the beginning of the year	15,61,79,472	3,123.59	15,61,79,472	3,123.59		
Issued during the year	7,20,37,304	1,440.75	-	-		
Balance as at the end of the year	**22,82,16,776**	**4,564.34**	**15,61,79,472**	**3,123.59**	**15,61,79,472**	**3,123.59**

(ii) Reconciliation of 0% optionally convetible redeemable preference shares outstanding as at the beginning and end of the year

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April, 2016	
	Number of Shares	Rs. in Lakh	Number of Shares	Rs. in Lakh	Number of Shares	Rs. in Lakh
Balance as at the beginning of the year	-	-	-	-	-	-
Issued during the year	1,19,13,329	1,191.33	-	-	-	-
Less: Converted into equity shares during the year	(61,48,710)	(614.87)	-	-	-	-
Balance as at the end of the year	**57,64,619**	**576.46**	**-**	**-**	**-**	**-**

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

Name of the shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of equity shares	Percentage (%) shareholding	Number of equity shares	Percentage (%) shareholding	Number of equity shares	Percentage (%) shareholding
Archana A Mittal	8,85,59,288	38.80%	9,85,59,288	63.11%	9,85,59,288	63.11%
Ajay S Mittal	3,70,60,937	16.24%	1,85,60,937	11.88%	1,85,60,937	11.88%
Edelweiss Asset Reconstruction Company Limited (through various trusts)	4,56,62,304	20.01%	-	-	-	-

Notes to the financial statements for the year ended 31st March, 2018

(d) During the year the Company had allotted to the Promoter Directors 1,00,00,000 equity shares and 1,00,00,000 share warrants of Rs. 2/- each at a premium of Rs.58.35 per share on preferential basis pursuant to the Restructuring Agreement dated 31st March, 2017 and in terms of special resolution passed on 29th April, 2017 as per applicable provisions of Companies Act, 1956/ Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulation. 85,00,000 share warrants out of 1,00,00,000 share warrants have been converted into Equity shares on 8th November, 2017.

Subsequent to the year end, in the Board Meeting held on 20th April, 2018 the Company has allotted 15,00,000 Equity Shares of face value of Rs.2 each to the Promoter upon conversion of equal number of warrants.

(Rs. in Lakh)

Particulars	As at 31st Mar 2018	As at 31st Mar 2017	As at 1st Apr 2016
17. Other Equity			
Share Application money pending allotment			
Balances as at the beginning of the year	18,766.71	-	
Add: Debt convertible into equity	-	18,766.71	
Less: On issue of Equity Shares	(18,766.71)	-	
Balances as at the end of the year	**-**	**18,766.71**	**-**
Money Received against share warrants	860.25	-	-
Equity Component of 0% Optionally Convertible Preference shares (OCRPS)			
Balances as at the beginning of the year	88,620.84	-	
Add: Fair valuation of OCRPS	-	88,620.84	
Less: On issue of Equity Shares	(41,068.97)	-	
Balances as at the end of the year	**47,551.87**	**88,620.84**	**-**
Amalgamation Reserve			
Balances as at the beginning and end of the year	124.80	124.80	124.80
Reserve and Surplus			
Securities Premium Account			
Balances as at the beginning of the year	79,617.43	79,844.68	
Add: On issue of Equity Shares	95,278.86	-	
Less: Share issue expenses/ Transaction cost	(37.62)	(227.25)	
Balances as at the end of the year	**1,74,858.67**	**79,617.43**	**79,844.68**
General Reserve			
Balances as at the beginning and end of the year	940.18	940.18	940.18
Deficit in the Statement of Profit and Loss			
Balances as at the beginning of the year	(68,332.91)	(61,288.65)	
Add: Proift/(Loss) for the year	5,199.08	(7,017.64)	
Add: Other comprehensive income	(2.69)	(9.03)	
Add: Fair Value of Financial instruments	64.05	-	
Less: Prior Period Adjustments	-	(17.60)	
Balances as at the end of the year	**(63,072.47)**	**(68,332.91)**	**(61,288.65)**
Total	**1,61,263.30**	**1,19,737.06**	**19,621.01**

Notes to the financial statements for the year ended 31st March, 2018

Nature and purpose of Reserve and Surplus:

(a) Securities Premium Account:
Securities premium account is created to record premium received on issue of equity shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013.

(b) General Reserve:
General Reserve is used for time to time to transfer of profits from Retained Earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

(c) Amalgamation Reserve:
Amalgamation reserve is created on account of scheme of amalgamation of erstwhile BDP (India) Private Limited with the Company approved by the Hon'ble High Court of Judicature at Bombay in earlier years.

d) Retained Earning:
Retained Earnings are the profit/(loss) of the Company earned till date net of appropriations.

(Rs. in Lakh)

Particulars	As at 31st Mar 2018	As at 31st Mar 2017	As at 1st Apr 2016
Non-Current Liabilities			
18. Borrowings			
Secured			
(a) Term Loans			
From Banks	-	1,072.53	3,048.10
From Other Parties	58,497.26	55,552.60	16,678.58
(b)Vehicle Loan from bank	-	-	2.38
Liability Component of Compound Financial Instruments (OCRPS)	10,342.61	17,511.54	-
Total	**68,839.87**	**74,136.67**	**19,729.06**

The details of security, terms of repayment and interest on non-current borrowings (which includes current maturities) obtained by the Company are given below:

18.1 Rupee Term loan from Bank

(1) Details of security

(a) Rupee term loan of Rs. Nil (31st March, 2017 - Rs. 2,771.93 Lakh, 1st April, 2016 - Rs. 55,575.17 Lakh) are secured by

(i) First charge on all the present and future movable and immovable property, plant and equipment including intangible assets, assignment of rights and benefits but excluding project assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project on pari passu basis.

(ii) Second charge on Current Assets of the Parent Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project on pari passu basis.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(iv) The loans are secured by pledged of shares held by the two Promoter Directors of the Company.

(2) Terms of Interest rate

(i) Rate of Interest is @ 13% p.a. for the 2016-17.

Notes to the financial statements for the year ended 31st March, 2018

18.2 Rupee Term loans from Other Parties

(1) Rupee term loan of Rs. 59,359.23 Lakh (31st March, 2017 - Rs. 70,863.53 Lakh, 1st April, 2016 - Rs. 46,782.87 Lakh):

(a) Security provided:

(i) First charge in all the present and future movable and immovable property, plant and equipment including intangible assets, assignment of rights and benefits but excluding project assets for khurja FTWZ project, Khurja Distiripark Project, Nagpur project and Rail project on pari passu basis.

(ii) Second charge on current assets of the Company but excluding current assets for khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.

(iii) first pari passu charge by way of hypothecation on the Panvel Receivables both existing and future of whatsoever nature.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(v) The loans are secured by pledged of shares held by the two Promoter Directors of the Company.

(b) Terms of Interest rate

(i) Rate of Interest is @ 10% p.a. (2016-17 - 10% p.a.)

(c) Terms of Repayment:-

(Rs. in Lakh)

Year	Loan from Others
FY 2017-18	5,671.09
FY 2021-22	14,001.46
FY 2022-23	40,404.50
Total	**60,077.05**

(d) The Company has been in default for the repayment of principal amount of Rs. 5,671.09 Lakh. (31st March, 2017 - Rs. Nil and 1st April, 2016 - Rs. Nil).

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 717.82 Lakh (31st March, 2017 - Rs. 871.85 Lakh, 1st April, 2016 - Rs. Nil).

(2) Rupee term loan of Rs. 2,672.34 Lakh (31st March, 2017 - Rs. 2,443.49 Lakh, 1st April, 2016 - Rs. 4,935 Lakh)

(a) Securities provided

(i) Second charge by way of equitable mortgage/hypothecation on the entire immovable and movable property, plant and equipment of the Company on pari-passu basis.

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

(b) Terms of Repayment:-

Rupee term loan is repayable in 13 structured quarterly installments commencing from 31st January, 2018.

(c) The Company has been in default for the repayment of principal amount of Rs. 428 Lakh. (31st March, 2017 - Rs. Nil and 1st April, 2016 - Rs. Nil)

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 405.66 Lakh (31st March, 2017 - Rs. 631.51 Lakh, 1st April, 2016 - Rs. Nil).

Notes to the financial statements for the year ended 31st March, 2018

(3) Rupee loan of Rs. 3,189.79 Lakh (31st March, 2017 - Rs. Nil, 1st April, 2016 - Rs. Nil)

(a) Securities provided

(i) Second charge on movable and immovable Panvel assets of the Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

(ii) Second charge on present and future receivables of the Company.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(b) Terms of Interest rate

(i) Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in Bullet payment at the end of the tenure of loan i.e. 36 months.

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 10.21 Lakh (31st March, 2017 - Rs. Nil, 1st April, 2016 - Rs. Nil).

(Rs. in Lakh)

Particulars	As at 31st Mar 2018	As at 31st Mar 2017	As at 1st Apr 2016
19. Other Financial Liabilities			
Financial Liabilities at amortised cost			
Security deposit from unit holders	-	4,606.44	4,179.53
Settlement on account of derivative contracts (Refer Note No.46.1)	-	2,463.85	3,336.43
Financial guarantees obligations	2,191.60	2,299.68	2,412.86
Total	**2,191.60**	**9,369.97**	**9,928.82**
20. Provisions			
Provision for employee benefits (Refer Note No.39)			
Gratuity	101.32	84.64	54.52
Leave encashment	49.70	47.72	33.50
Total	**151.02**	**132.36**	**88.02**
21. Other Non-Current Liabilities			
Advance rent	-	1,631.48	2,117.81
Total	**-**	**1,631.48**	**2,117.81**
Current Financial Liabilities			
22. Borrowings			
Secured			
(a) Working Capital facility (Cash Credit from banks)	-	3,996.91	5,996.91
(b) Loan from Other Parties (Refer Note No. 22.2)	8,474.05	-	4,935.00
Unsecured			
(a) Loans from Promoter Directors	1,937.76	68.18	327.95
(b) Inter Corporate Deposits	77.00	877.00	687.00
Total	**10,488.81**	**4,942.09**	**11,946.86**

Notes to the financial statements for the year ended 31st March, 2018

(22.1) Working capital facility (Cash Credit) from banks: Rs. Nil (31st March, 2017 - Rs. 3,996.91 Lakh, 1st April, 2016 - Rs. 5,996.91 Lakh)

(i) Securities provided :

- First charge on entire Current Assets of the Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project.

- Second charge on all the present and future movable and immovable property, plant and equipment assignment of rights and benefits but excluding project assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project.

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

(iii) The loans are secured by pledged of shares held by the two Promoter Directors of the Company.

(iv) Terms of interest:
Rate of interest on working capital is @ 13% p.a.(31st March, 2017 - 13% p.a.)

(22.2) Loan from Other Parties

(1) Loan of Rs. 8,474.04 Lakh (31st March, 2017 - Rs. Nil, 1st April 2016 - Rs. Nil)

(i) Securities provided

- First Ranking charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of the Company as per the Deed of Hypothecation.

- The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(ii) Terms of interest: @ 18% p.a.

(2) Loan of Rs. Nil, (31st March, 2017 - Rs. Nil, 1st April, 2016 -Rs. 4,935 Lakh) had been restructured into term loan as per consent term. (Refer Note No. 18.1.2)

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

(22.4) Unsecured Loan from Inter Corporate Deposits:

(i) Intercorporate Deposit of Rs. 77 Lakh (31st March, 2017 - 77 Lakh, 1st April, 2016 - 187 Lakh) is interest free and repayable on demand.

(ii) Intercorporate Deposit of Rs. Nil (31st March, 2017 - Rs. 800 Lakh, 1st April, 2016 - Rs. Nil) : interest @ 20% p.a.

(iii) Loan of Rs. Nil (31st March, 2017 - Rs. Nil, 1st April, 2016 - Rs. 500 Lakh)

(a) The above loans are secured by personal guarantees of two Promoter Directors of the Company.
(b) Rate of interest on said loan is 12% p.a.

(Rs. in Lakh)

Particulars	As at 31st Mar 2018	As at 31st Mar 2017	As at 1st Apr 2016
23. Trade Payables			
Micro, Small and Medium Enterprises (Refer Note No.38)	0.89	21.40	7.12
Others	581.66	346.40	218.90
Total	**582.55**	**367.80**	**226.02**

Notes to the financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	As at 31st Mar 2018	As at 31st Mar 2017	As at 1st Apr 2016
24. Other Financial Liabilities			
Financial Liabilities at amortised cost			
Current maturities of long term debts from banks	1,491.67	1,699.40	52,527.07
Current maturities of long term debts from other parties	13,675.60	27,120.14	39,791.84
Current maturities of vehicle loan	-	2.38	3.74
Interest accrued and due on borrowings	104.44	12,538.04	55,983.47
Interest accrued but not due on borrowings	1,892.26	-	-
Interest payable on delayed payments to MSMED creditors (Refer Note No. 38)	0.22	0.75	-
Unclaimed dividends	0.04	0.04	0.04
Deposit from Unitholders	385.68	79.64	3,350.71
Financial Guarantee Obligations	606.11	638.85	759.54
Payable for capital goods	1,137.29	2,057.76	2,273.33
Dues to employees	267.81	577.28	469.91
Payable for expenses	641.50	3,757.36	1,274.69
Mark to Market on derivative contracts	-	1,621.94	1,848.48
Total	**20,202.62**	**50,093.58**	**1,58,282.82**

(A) Term loans from Bank - Rs. 1,491.67 Lakh (31st March, 2017 - Rs. Nil, 1st April, 2016 - Rs. Nil) - (Refer Note No. 46.1)

(i) Securities provided

- Second charge on movable and immovable property, plant and equipments of the Company, present and future on pari-passu.

(ii) The above loan is secured by personal guarantees of two Promoter Directors of the Company.

(iii) Terms of Interest rate:
Rate of interest is @ 12% p.a.

(iv) Terms of Repayment & Default
During the year bank has been recalled loan of Rs. 1,491.67 Lakh and interest (including penal interest) of Rs. 32.15 Lakh.

(B) Term loans from Other Parties

(1) Loan of Rs. 5,000 Lakh (31st March, 2017 - Rs. 6,900 Lakh, 1st April, 2016 - Rs. 6,900 Lakh) (Refer Note No. 37)
Secured by first and exclusive charge on land situated at Village Butibori at Nagpur, Maharashtra. The said loan carries interest @ 15.25% p.a.

(2) Loan of Rs. 1,951.52 Lakh (31st March, 2017 - Rs. 2,465.72 Lakh, 1st April, 2016 - Rs. 2,666.67 Lakh) (Refer Note No. 43)

(i) 'Secured by first and exclusive charge on land situated at Khurja, Bulandshahr, Uttar Pradesh.

(ii) The Company has been in default for the repayment of principal amount of Rs. 975 Lakh. (31st March, 2017 - Rs. Nil and 1st April, 2016 - Rs. Nil)

(iii) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 23.48 Lakh (31st March, 2017 - Rs. 200.95 Lakh, 1st April, 2016 - Rs. Nil).

Notes to the financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	As at 31st Mar 2018	As at 31st Mar 2017	As at 1st Apr 2016
25. Other Current Liabilities			
Trade advances received	94.37	46.30	0.43
Statutory Liabilities			
Statutory dues*	356.34	1,133.48	896.97
Interest on delayed payment of statutory dues	611.77	711.09	657.18
Total	**1,062.48**	**1,890.87**	**1,554.58**

* Statutory dues included Tax deducted at sources (TDS), Provident Fund (PF), Profession Tax (PT) and Employee State Insurance Corporation (ESIC).

(Rs. in Lakh)

Particulars	As at 31st Mar 2018	As at 31st Mar 2017	As at 1st Apr 2016
26. Provision			
Provision for employee benefits (Refer Note No. 39)			
Leave encashment	9.57	8.92	6.48
Total	**9.57**	**8.92**	**6.48**

(Rs. in Lakh)

Particulars	Year Ended 31st Mar 2018	Year Ended 31st Mar 2017
27. Revenue From Operations		
Sale of services		
Free Trade and Warehousing Zone operations		
Storage Income	6,899.82	7,461.64
Material Handling and other services	649.29	611.75
Business Conducting Fees (Refer Note No. 53)	972.91	-
Income from Domestic Warehousing	20.00	-
Total	**8,542.02**	**8,073.39**
28. Other Income		
Bank fixed deposits	-	0.99
Interest income from others	0.50	-
Interest income on financial assets carried at amortised cost		
Loan to Subsidiairies	185.51	165.64
Others	0.88	15.04
Other Non Operating Income		
Financial guarantee income	639.31	759.54
Foreign exchange difference (net)	15.22	-
Sundry balances written back (net)	175.85	33.52
Miscellaneous income	2.82	-
Total	**1,020.09**	**974.73**

Notes to the financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	Year Ended 31st Mar 2018	Year Ended 31st Mar 2017
29. Cost Of Operation		
Material Handling and other Charges	320.61	301.09
Total	**320.61**	**301.09**
30. Employee Benefits Expense		
Salaries, wages and bonus	1,394.29	1,309.28
Contribution to provident and other funds	30.90	25.83
Staff welfare expenses	31.42	31.38
Total	**1,456.61**	**1,366.49**
31. Finance Cost		
Interest expense on borrowings	11,956.04	12,405.87
Unwinding Interest on security deposits	226.36	417.95
Interest expense on MSMED vendors	0.22	0.75
Interest expense on statutory dues	214.39	196.93
Other borrowing costs	61.51	28.01
Total	**12,458.52**	**13,049.51**
32. Depreciation and Amortisation Expense		
Depreciation on Property,plant and equipment	1,775.61	2,024.85
Amortisation of intangible assets	316.06	156.61
Total	**2,091.67**	**2,181.46**
33. Other Expenses		
Electricity charges	230.71	194.25
Rent	13.58	60.95
Repairs and maintenance:		
Building	104.28	55.53
Plant and Machinery	84.53	56.36
Others	53.55	38.90
Insurance	9.06	9.75
Rates and taxes	4.94	3.99
Communication expenses	22.72	26.13
Travelling and conveyance expenses	95.38	117.15
Vehicle expenses	42.28	37.79
Printing and stationery	24.24	19.99
Legal and professional fees	146.45	140.95
Security charges	246.90	212.08
Auditor’s remuneration:		

Notes to the financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	Year Ended 31st Mar 2018	Year Ended 31st Mar 2017
- Audit Fees	72.25	64.51
- Certification fees	1.75	0.08
- Reimbursement of expenses	-	0.25
Advertisement and Business Promotion expenses	78.23	51.27
Allowance for doubtful debts	7.33	0.36
Foreign exchange difference (net)	-	3.85
Director sitting fees	5.75	3.75
Miscellaneous expenses	88.53	99.36
Total	**1,332.46**	**1,197.25**
34. Exceptional Items		
Mark to Market gain	-	(233.40)
Excess provision written back	-	(35.31)
Recovery of excess remuneration from Whole Time Director	-	(83.52)
Irrecoverable advance written off (Net)	-	139.54
Provision for doubtful advances	-	1,395.00
Reconciliation of loan accounts (net)	-	1,712.61
Settlement of claims	(2,001.74)	(8,080.95)
Gain on monetization of property, plant and equipment (Refer Note No. 54)	(15,633.29)	-
Loss on sale of subsidiaries (Refer Note No. 45.2)	4,338.19	2,272.81
Compensation on shares invoked by lender	-	659.30
Property, plant and equipment written off	-	344.57
Provision for interest on statutory dues written back	-	(82.69)
Recovery of bad debts	-	(38.00)
Total	**(13,296.84)**	**(2,030.04)**

35 Contingent Liabilities and Commitments

35.1 Contingent Liabilities (to the extent not provided for in respect of):

(Rs. in Lakh)

S. No.	Particulars	31st March, 2018	31st March, 2017	1st April, 2016
(i)	Disputed Income Tax demands	11,087.78	11,514.44	3,993.25
(ii)	Disputed Sales Tax demands	20.51	20.51	20.51
(iii)	Disputed Local Body Tax demands	160.33	160.33	160.33
(iv)	Claims against the Company not acknowledged as debts	2,321.79	3,713.35	2,876.66
(v)	Import Continuity / Transhipment Bond	10,000.00	10,000.00	-

35.2 Capital commitments

Estimated amount of contracts remaining to be executed on capital and other accounts and not provided for (net of advances paid) are Rs. Nil (31st March, 2017 - Rs. Nil, 1st April, 2016 - Rs. 1,493.04 Lakh)

36 Certain lenders and creditors have filed winding up petitions/cases/other legal proceedings against the Company and its Directors 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. The financial implication of such claims will be recognized as and when finality in the matter is reached.

Notes to the financial statements for the year ended 31st March, 2018

37 A Public Financial Institution (PFI) agreed to settle their outstanding loan constituting principle and interest of Rs. 16,700 Lakh. Settlement terms and conditions involves payment of Rs. 5,000 Lakh which is secured by land at Nagpur and for balance amount of Rs. 11,700 Lakh, allotment of Optionally Convertible Redeemable Preference Shares - V (OCRPS - V), convertible upto 15,50,000 equity shares at the option of the PFI. Considering the same, necessary effect has been given in the books of accounts during the year. As per shareholder approval in the EOGM dated 29th January 2018, the company has approved allotment of 11,70,000 OCRPS – V and the same was converted into 15,50,000 Equity shares on 22nd February, 2018 as per settlement terms agreed. Subsequently in the Honourable High Court of Bombay, the company has made the representation that post allotment of the equity shares as exercised by the PFI, the total outstanding debt remains at Rs. 5,000 lakhs and the same would be paid on or before 30th June, 2018 which is yet to be confirmed by the PFI. The matter is still to be concluded by the Honourable High Court of Bombay.

38 Details of dues to Micro, Small And Medium Enterprises as per MSMED Act, 2006

(Rs. in Lakh)

Sr. No.	Description	As at 31st March 2018	As at 31st March 2017	As at 1st April, 2016
a)	Principal amount due and remaining unpaid	0.89	21.40	7.12
b)	Interest due on above	0.22	0.75	-
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	0.22	0.75	-
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.

39 Employee Benefits

39.1 Disclosure pursuant to Indian Accounting Standard (IND AS) 19 – Employee Benefits

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognised as expenses for the years are as under:

(Rs. in Lakh)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Employer’s Contribution to Provident Fund	6.90	6.59
Employer’s Contribution to Pension Scheme	15.69	14.98
Employer’s Contribution to ESIC	1.02	0.33

(b) Brief descriptions of the plans

The Company’s defined contribution plans are Provident Fund and Employees State Insurance where the Company has no further obligation beyond making the contributions. The Company’s defined benefit plans include gratuity. The employees are also entitled to leave encashment as per the Company’s policy.

(c) Leave Encashment:

(Rs. in Lakh)

Particulars	31st March 2018	31st March 2017
Provision recognised in the Balance Sheet		
Current Provision as at the end of the year	9.57	8.92
Non Current Provision as at the end of the year	49.70	47.72
Provision recognised in the Balance Sheet	59.27	56.64

Notes to the financial statements for the year ended 31st March, 2018

(d) Defined benefit plan – Gratuity:

The employee's Gratuity fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up to final obligation.

Particulars	31st March 2018	31st March 2017
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2006-08) Ult	Indian Assured lives Mortality (2006-08) Ult
Discount rate	7.40%	6.90%
Expected return on plan assets	7.40%	6.90%
Salary Escalation Rate	7.00%	7.00%
Withdrawal Rate	15.00%	15.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Provision as at the beginning of the year	99.55	68.30
Interest cost	6.46	4.84
Current service cost	25.73	20.04
Benefits paid	(8.15)	(2.75)
Actuarial (gain)/loss on obligations	(7.37)	9.12
Provision as at the end of the year	116.22	99.55
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	14.92	13.78
Expected return on plan assets	1.03	1.04
Actual Enterprise's Contributions	8.15	2.75
Benefits paid	(8.15)	(2.75)
Actuarial gain/(loss) on plan assets	(1.03)	0.10
Fair value of plan assets as at the end of the year	14.92	14.92
IV. Actual return on plan assets		
Expected return on plan assets	1.03	1.04
Actuarial gain/(loss) on plan assets	(1.03)	0.10
Actual return on plan assets	-	1.14
V. Provision recognised in the Balance Sheet		
Provision as at the end of the year	116.24	99.55
Fair value of plan assets as at the end of the year	14.92	14.92
Provision recognised in the Balance Sheet	101.32	84.63
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VII. Amount recognised in the Statement of Profit and Loss		
Current service cost	25.74	20.04
Interest cost	6.46	4.84
Expected return on plan assets	(1.03)	(1.04)
Net actuarial (gain)/loss to be on obligation	-	-
Expense recognised in Statement of Profit and Loss	31.17	23.84

Notes to the financial statements for the year ended 31st March, 2018

Particulars	31st March 2018	31st March 2017
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Amount recognised in OCI, beginning of the period	9.02	-
Components of actuarial gain/losses on obligations		
Due to Change in financial assumptions	(2.81)	3.26
Due to Change in demographic assumption	-	-
Due to Change in experience assumption	(4.56)	5.86
Expected return on plan assets	1.03	(0.10)
Total remasurement recognised in OCI	(6.34)	9.02
Amount recognised in OCI, end of period	2.68	9.02
IX. Balance Sheet reconciliation		
Opening net provision	84.64	54.52
Expenses recognised in Profit & Loss	31.17	23.84
Actual Employer Contribution	(8.15)	(2.75)
Total Remeasurement recognised in OCI	(6.34)	9.03
Closing net provision	101.32	84.64

(e) Salary escalation assumption has been set in discussions with the enterprise based on their estimates of overall long-term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

39.2 Sensitivity analysis: (Rs. in Lakh)

Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended 31st March, 2017		
Salary growth rate	+0.50%	102.18
	-0.50%	97.02
Discount rate	+0.50%	97.03
	-0.50%	102.20
For the year ended 31st March, 2018		
Salary growth rate	+0.50%	204.08
	-0.50%	194.55
Discount rate	+0.50%	194.59
	-0.50%	204.08

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the balance sheet.

These plans typically expose the Company to actuarial risks such as: longevity risk and salary risk.

(a) Interest risk - A decrease in the discount rate will increase the plan provision.

(b) Longevity risk - The present value of the defined benefit plan provision is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants. As such, an increase the plan's provision.

Notes to the financial statements for the year ended 31st March, 2018

(c) Salary risk - The present value of the defined plan provision is calculated by reference to the future salaries of plan participants. As such, as increase in the salary of the plan participants will increase the plan's provision.

39.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 6 years (31st March, 2017 - 6.6 years).

40 Preparation of financial statements on " Going Concern" basis

The Company has accumulated losses and certain creditors have initiated legal proceeding against the Company and its Directors for recovery of the amounts due. However in these cases, the Company has executed consent terms or is in the process of finalizing consent terms with the creditors.

The Company has given its warehouses on long term lease and received upfront lease payments. The management has also initiated various other steps such as construction and future development within the FTWZ, restructuring the Company and it's subsidiaries business operations. Considering the strength of Company's locational advantages, future outlook as assessed by the management and business plan, the Company is confident to continue as a going concern. The long term prospects of the Company, however, are dependent on various factors and financial statements have accordingly been continued to be prepared on going concern basis.

41 Loans from various lenders have been assigned by banks to Edelweiss Assets Reconstruction Company Limited (EARC). EARC had restructured the loan and executed the Restructuring Agreement (RA) dated 31st March, 2017. In accordance with RA, EARC has converted part debt into restructured debt, balance assigned loan is to be converted into 3,21,62,304 equity shares and 64,23,329 zero percent optionally convertible redeemable preference shares (OCRPS – Series I) of face value of Rs.10 each at a price of Rs.1,000 each (including premium of Rs.990) of the Company, as per extant SEBI rules and regulations.

Certain lenders of wholly owned subsidiaries viz, Arshiya Rail Infrastructure Limited (ARIL), Arshiya Northern FTWZ Limited (ANFL) and Arshiya Industrial and Distribution Hub Limited (AIDHL) have also assigned their loan to EARC pursuant to Restructuring Agreement executed by respective subsidiaries dated 31st March 2017. Loan amounting to Rs. 43,200 Lakh have been restructured by allotment of 43,20,000 zero percent optionally convertible redeemable preference shares (OCRPS Series II / Series III / Series IV) of face value of Rs. 10 each at a price of Rs. 1000 each (including premium of Rs. 990) of the Company. These OCRPS are allotted to EARC in exchange of OCRPS of subsidiaries issued to EARC. These OCRPS have right of conversion into equity shares of Company at the option of EARC. On conversion the entire amount of OCRPS Series II / Series III / Series IV shall be adjusted against allotment of 1,19,11,962 equity shares of Company to EARC.

During the year ended 31st March, 2018:-

(i) In aggregate 4,56,62,304 equity shares of 2 each (including equity shares on conversion of OCRPS Series I, II, III and IV) have been allotted to EARC.

(ii) Pursuant to RA, the promoters of the Company have also been allotted 1,85,00,000 equity shares, including 85,00,000 equity shares allotted on conversion of 85,00,000 warrants out of 1,00,00,000 warrants issued.

(iii) Allotted 25,00,000 equity shares on conversion of warrants to non-promoters.

42 The Company has made substantial repayment as agreed in amortisation schedule of Restructuring Agreement (RA) during the year ended 31st March, 2018. As per debt covenant, the Company is required to adhere to repayment schedule and any short payment gives Edelweiss Asset Reconstruction Company (EARC) the right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Company. No such notice of conversion in writing has been given by EARC and the Company continues to disclose the amount as non-current and current borrowings as per repayment schedule, in the Balance Sheet.

The Company is liable to pay penal interest of Rs. 1,065.91 Lakh on the unpaid and delayed amounts for the year ended 31st March, 2018 which has not been provided. Had the Company provided the above interest, the finance cost would have been higher to that extent for the year ended and total comprehensive income would have been lower to that extent having consequential impact on other equity and financials liabilities.

Notes to the financial statements for the year ended 31st March, 2018

43 In respect of consent terms with a Non-Banking Finance Company (NBFC), the Company had signed Supplementary Consent Terms (SCT) with the NBFC in respect of settlement of borrowing. The SCT mainly stipulates revised "Schedule of Payments" and penal interest. The Company has defaulted in making payments as per the SCT. As per provisions of the SCT, if schedule of payment is not complied with, the entire debt prior to date of settlement of dues shall become payable along with interest as per transaction documents till the realisation of entire debt. However the Company has not reversed amount written back on settlement of first consent terms of Rs. 1719.59 Lakh and not accrued interest amounting to Rs. 237.50 Lakh. Had the Company reversed the amount written back and made provision for interest, finance cost and other income would have been higher by amount as mentioned above, having consequential impact on total comprehensive income, other equity and financial liabilities.

44 Corporate Guarantees

The Company has given corporate financial guarantees to the lead bank on behalf of one of the wholly owned subsidiary. This subsidiary has defaulted in repayment of its loan obligations and two lenders of the consortium have initiated legal recovery proceeding including invocation of corporate guarantees given by the Company for recovery of outstanding dues of Rs 23,563.38 Lakh. The Company has made its representation to the banks offering compromise settlement, which is under consideration and till date no adverse order has been received by the Company.

The Company is yet to assess the changes in risk/expected cash shortfall to determine any credit loss to be recognised in respect of these financial guarantees. No accounting impact of the same is recognised in the books of account at this stage pending settlement of the matter.

45 Investments

45.1 The Company has elected to apply previous GAAP carrying amount as deemed cost on the date of transition to Ind AS for its equity investments in subsidiaries. These subsidiaries are implementing their respective business restructuring and revival plans, hence based on the assessment carried out by the management of the Company, no impairment loss on investment in subsidiaries is considered necessary.

45.2 The Company has divested its entire investment in a subsidiary company namely Arshiya Supply Chain Management Private Limited (ASCM). As a result, the company has accounted net loss of Rs. 4,338.19 lakhs for the year ended 31st March, 2018 and this loss is grouped under exceptional item.

46 Mark to Market Losses (MTM)

46.1 Axis Bank

(i) The Company had terminated the cross currency swap derivative contract with Axis Bank Limited on 30th September, 2015 for an agreed value of Rs. 4,200 Lakh of which the balance as on 31st March, 2017 is Rs. 2,659.79 Lakh.

(ii) The Bank had restructured above liabilities are as under:

(a) Term Loan of Rs. 1,500 Lakh

(b) Investment in Equity shares of the Company for a balance amount of Rs. 1,159.79 Lakh as per SEBI (ICDR) Guidelines on Preferential Issue.

Shareholders in the Extra Ordinary General Meeting (EOGM) held on 29th January, 2018 approved the allotment of upto 10,50,000 Equity shares which have been issued on 22nd February, 2018.

46.2 Kotak Mahindra Bank Limited

In respect of derivative contracts entered into by the company with ING Vysya Bank (now amalgamated with Kotak Mahindra Bank Limited w.e.f. 1st April, 2015), the bank had prematurely terminated the contracts and had demanded termination and liquidation fees aggregating to Rs. 2,875 Lakh, which are disputed by the Company. However the Company had provided Rs. 1,621.93 Lakh.

The Company has entered into the consent terms with a Bank during the year ended 31st March, 2018. Pursuant to consent term, additional liability (net) amounting to Rs. 1,378.06 Lakh in respect of termination and liquidation fees of derivative contracts is accounted in the books of account. The Company has paid the amount as per the Consent Term during the year.

Notes to the financial statements for the year ended 31st March, 2018

47 Cash Seized by Income Tax

The amount of Rs. 100 Lakh cash seized by the Income Tax department at the time of search on 13th June, 2014 is yet held with the department.

Name of the entity	Rs. in Lakh
Arshiya Limited	31.01
Arshiya Supply Chain Management Private Limited	10.65
Arshiya Rail Infrastructure Limited	20.00
Ajay S Mittal	24.66
Archana A Mittal	12.87
Arshiya Lifestyle Limited	0.80
Total	**100.00**

48 Remuneration of Rs. 114.82 Lakh paid/provided to the Executive Director for F.Y. 2013-14:

The Company had applied for waiver of recovery of excess remuneration of Rs. 83.52 Lakh paid to its Whole Time Director (Director) in the earlier year which was rejected by the Ministry of Corporate Affairs vide their letter dated 2nd June, 2016. In view of the same, as on 31st March, 2018 the Company has fully recovered the said amount.

49 Scheme of arrangement and amalgamation u/s 230 to 232 and other applicable provisions of the Companies Act, 2013 has been filed before the National Company Law Tribunal (“NCLT”) between Arshiya Rail Infrastructure Limited (Transferee Company), Arshiya Industrial & Distribution Hub Limited (First Transferor Company) and Arshiya Transport & Handling Limited (Second Transferor Company) and their respective shareholders. The scheme is conditional on various approval / sanctions and is effective thereafter; accordingly no effect of the said Scheme is given in the consolidated financial results. Directions of NCLT are awaited for holding the creditor’s meeting in respective companies. No accounting impact and disclosures is considered and necessary at this stage pending requisite regulatory approvals.

50 The Board of Directors of the company in their meeting held on 24th May, 2018, has approved a scheme to further reorganize its corporate structure spread across various group companies, in order to integrate/consolidate it’s operations by reorganizing different businesses into two entities.

This Scheme is presented under Sections 230 to 232 read with Sections 66 and 52 and other applicable provisions of the Companies Act, 2013 for demerger of “Domestic warehousing business” of the company into Arshiya Rail Infrastructure Limited. This proposed scheme of arrangement is conditional upon approval of an ongoing scheme of group companies i.e. merger of Arshiya Rail Infrastructure Limited, Arshiya Industrial and Distribution Hub Limited and Arshiya Transport & Handling Limited, which is pending with NCLT. No accounting impact and disclosures is considered and necessary at this stage pending requisite regulatory approvals.

51 Maharashtra VAT Refund Receivable

As per the Notification dated 16th May, 2013, issued by the government of Maharashtra, MVAT exemption/refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Company has claimed refund of Rs. 1,684.56 Lakh in respect of transactions prior to record date, as the Company is of the view that the state government has exempted it from local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra. The Company has filed a writ petition in the High Court of Bombay challenging the constitutional validity of MVAT on various grounds and has claimed refund of Rs. 1,684.56 Lakh. The petition has been admitted and issues are framed and further hearing and final disposal is pending. Accordingly, these financial statements reflect a sum of Rs. 1,684.56 Lakh as refund receivable on account of MVAT. In case the refund is not granted, the necessary adjustment entries shall be recorded in the year in which finality is reached.

52 As per Ind-AS 108 “Operating Segment”, information has been provided along with the consolidated financial statements

Notes to the financial statements for the year ended 31st March, 2018

of the Group.

53 During the year, the Company has entered into Business Conducting and Services Agreement with Arshiya Lifestyle Limited (ALL) (wholly owned subsidiary) in relation to operation of Six Warehouses taken on sub-lease from Arshiya Rail Siding and Infrastructure Limited (ARSIL) and operation of Container Yard and Open Yard owned by the Company. The aforesaid Business Conducting and Services Agreement is to be read in the overall context of Lease Deed dated 3rd February, 2018, Sub-Lease Deed dated 3rd February, 2018 and other agreements and documents entered into in connection with lease of Six Warehouses by the Company, being owner, to ARSIL and Sub-Lease of the said Six Warehouses by ARSIL to ALL and transfer of all rights and obligations under the Existing Unit Holder Agreements entered into by the Company to and in favour of ALL. The Company for the administration and operational expediency entrusted ALL to carry out operating and managing the open yard, the container yard and warehouses whereby ALL agreed to undertake and conduct the business of operating and managing the open yard and the container yard and warehouses and provide other services by utilizing the infrastructure facilities provided by the Company. ALL shall also received all the incomes generated from the warehouses and storage yard, bearing the cost and expenses to operate and maintain the warehouses and storage yard. Pursuant to the aforesaid Business Conducting and Services Agreement, the ALL will pay 99% of Excess Revenue / Total Income over all the expenses / charges / provisions to the Company as Business Conducting Fees. Accordingly, the Company has recognised as Business Conducting fees Rs. 972.91 Lakh during the year ended 31st March, 2018.

54 During the year, on 23 November 2017, the company, interalia, it's subsidiaries and promoters had executed Share Purchase Agreement of Arshiya Rail Siding and Infrastructure Limited ("ARSIL", i.e. a step-down subsidiary/"SPV"), with Ascendas Property Fund (India) Pte Ltd ('Ascendas') for sale of 100% of it's equity holding, having Rs. 5 Lakh paid up equity capital, to Ascendas. This SPV holds the status of a co-developer.

During the year, the Company, interalia, it's subsidiaries and promoters has executed Lease Deed on 3rd February 2018, in favour of a SPV of Ascendas Property Fund (India) Pte. Limited ("Ascendas" - part of the Ascendas-Singbridge Group, Singapore) for grant of leasehold rights of six warehouses at FTWZ Panvel, along with underlying land of those warehouses, identified assets and infrastructure facilities on an initial lease term of 30 (thirty) years. The said transaction is for a total consideration of Rs. 53,400 Lakh (or Rupees Five hundred and thirty four crore), with an upfront lease payment/lump sum rent of Rs. 43,400 Lakh (or Rupees Four hundred and thirty four crore). The balance of Rs. 10,000 Lakh (or Rupees One hundred crore) will be received over four years from transaction closing based on certain performance milestones. The transaction also envisages the terms for construction funding by Ascendas for future growth of the company's business. The company already possesses the requisite land for the future development.

On transaction closing date of 3rd February 2018, the SPV has acquired long-term leasehold rights from the Company and the same are leased back under an operating lease arrangement pursuant to execution of sub-lease deed dated 3rd February 2018 to Arshiya Lifestyle Limited ("ALL"), a wholly owned subsidiary of the Company, for a sub-lease term of 6 (six) years, renewable as per mutually agreed terms, in consideration of pre-agreed rentals.

Accordingly during the year ended 31st March, 2018 the Company has reduced the value of assets, granted on leasehold rights to ARSIL, from its fixed assets. The gain on grant of leasehold rights to ARSIL amounting to Rs. 15,633.29 lakhs has been credited to profit and loss account of the company and is disclosed as an exceptional item.

Based on the above, ALL would operate and manage these six warehouses and pay the lease rentals to ARSIL as defined in the sub-lease agreement. Hence from 3rd February, 2018 onwards all revenue from these assets will be accounted by ALL. However the company will recognise the net revenue in terms of a business conducting agreement entered into between the company and ALL.

In view of above the set of transaction during the year, the financial statement for the year ended 31st March, 2018 are not comparable with corresponding year to the extent.

55 Related party disclosures, as required by Indian Accounting Standard 24 "Related Party Disclosures" (IND AS-24) as

Notes to the financial statements for the year ended 31st March, 2018

given below:

Name of the entity	Country of Incorporation	Proportion of interest (including beneficial interest)/voting power (either directly/indirectly or through subsidiaries)		
		31st March, 2018	31st March, 2017	1st April, 2016
Direct Subsidiaries:				
Arshiya Rail Infrastructure Limited @	India	100%	100%	100%
Arshiya Northern FTWZ Limited	India	100%	100%	100%
Arshiya Industrial & Distribution Hub Limited $	India	100%	100%	100%
Arshiya Transport and Handling Limited	India	100%	100%	100%
Arshiya Technologies (India) Private Limited*	India	100%	100%	100%
Arshiya Supply Chain Management Private Limited $$ (up to 22nd March, 2018)	India	Nil	100%	100%
Arshiya Lifestyle Limited (w.e.f. 8th February, 2017)	India	100%	100%	Nil
Arshiya Logistics Services Limited (Formerly known as Laxmipati Balaji Exim Trading Limited) (w.e.f. 13th Jun, 2017)	India	100%	Nil	Nil
Arshiya Hong Kong Limited (up to 21st March, 2017)	Hong Kong	Nil	Nil	100%
Cyberlog Technologies International Pte. Limited (up to 21st March, 2017)	Singapore	Nil	Nil	100%
Arshiya International Singapore Pte. Limited (up to 21st March, 2017)	Singapore	Nil	Nil	100%
Arshiya Central FTWZ Limited $$$ (up to 21st March, 2017)	India	Nil	Nil	100%
Indirect Subsidiaries:				
Held through Cyberlog Technologies International Pte. Limited				
Cyberlog Technologies (UAE) FZE (up to 21st March, 2017)	U.A.E.	Nil	Nil	100%
Held through Arshiya Rail Infrastructure Limited:				
Arshiya Rail Siding and Infrastructure Limited (up to 3rd February, 2018)	India	Nil	100%	100%

Note:
@ Nil (31st March, 2017 - Nil, 1st April, 2016 - 5.27%) held through Arshiya Hong Kong Limited
$ Nil (31st March, 2017- Nil, 1st April, 2016 - 9.38 %) held through Cyberlog Technologies (UAE) FZE
$$ Nil (31st March, 2017 - 12.64%, 1st April, 2016 - 12.64%) held through Arshiya Northern FTWZ Limited
$$$ Nil (31st March, 2017 - 48.33%, 1st April, 2016 - 48.33%) held through Arshiya Hong Kong Limited
*Nil (31st March, 2017 - Nil, 1st April, 2016 - 90.11%) held through Cyberlog Technologies International Pte. Limited

(I) Person having significant influence over the Company
Mr. Ajay S Mittal – Chairman and Managing Director
Mrs. Archana A Mittal – Joint Managing Director

(II) Key Management Personnel

Notes to the financial statements for the year ended 31st March, 2018

Mr. Ashish Bairagra - Independent Director
Mr. Mukesh Kacker - Independent Director
Prof. G. Raghuram - Independent Director (till 15th May, 2017)
Mr. Rishabh Shah - Independent Director
Mrs. Savita Dalal – Company Secretary and Compliance Officer
Mr. S. Maheshwari - Chief Financial Officer (w.e.f. 8th February, 2017)

(III) Relative of Person having significant influence over the Company
Mr. Ananya Mittal – Corporate Strategy Officer (Arshiya Group)

(IV) Enterprise owned or significantly influenced by key management personnel or their relatives
Rudradev Properties Private Limited

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

(Rs. in Lakhs)

Nature of transactions	Name of the Party	31st March, 2018	31st March, 2017
Revenue from operations	Arshiya Supply Chain Management Private Limited	1,215.97	4,971.10
	Arshiya Logistics Services Limited	2,694.77	-
	Arshiya Lifestyle Limited	715.26	-
Advance Rent Income	Arshiya Supply Chain Management Private Limited	112.71	450.85
Unwinded Interest Income on Loan to subsidiaries	Arshiya Rail Infrastructure Limited	56.88	50.78
	Arshiya Northern FTWZ Limited	17.91	15.99
	Arshiya Industrial & Distribution Hub Limited	10.36	9.25
	Arshiya Transport and Handling Limited	100.37	89.62
Financial Guarantees Income	Arshiya Rail Infrastructure Limited	240.56	282.74
	Arshiya Northern FTWZ Limited	126.80	147.61
	Arshiya Industrial & Distribution Hub Limited	178.99	236.69
	Arshiya Supply Chain Management Private Limited	89.93	92.50
	Arshiya Lifestyle Limited	0.46	-
Unwinded Interest expenses on Security Deposit	Arshiya Supply Chain Management Private Limited	104.77	380.97
Reimbursement/Allocation of common costs and expenses (Refer Note No. 59)	Arshiya Rail Infrastructure Limited	418.25	419.82
	Arshiya Northern FTWZ Limited	566.71	563.59
	Arshiya Industrial & Distribution Hub Limited	418.25	419.82
	Arshiya Logistics Services Limited	(28.71)	-
Lease Rent Expenses	Arshiya Northern FTWZ Limited	8.44	-
Remuneration paid to Key Managerial Person	Mr. S. Maheshwari	185.15	25.00
Director sitting fees	Mr. Ashishkumar Bairagra	2.00	1.40
	Mr. Mukesh Kacker	1.80	1.00
	Prof. G. Raghuram	0.20	0.20
	Mr. Rishabh Shah	1.75	1.15
Loans and advances given	Arshiya Rail Infrastructure Limited	4,831.75	758.22
	Arshiya Northern FTWZ Limited	7,188.87	189.59
	Arshiya Industrial & Distribution Hub Limited	14,470.75	191.97
	Arshiya Central FTWZ Limited	-	1.34
	Arshiya Technologies (India) Private Limited	1.88	0.82
	Arshiya Transport and Handling Limited	4.12	1.25
	Arshiya Lifestyle Limited	10,706.09	-
	Arshiya Logistics Services Limited	3,440.00	-

Notes to the financial statements for the year ended 31st March, 2018

(Rs. in Lakhs)

Nature of transactions	Name of the Party	31st March, 2018	31st March, 2017
Loans and advances given repaid/adjusted	Arshiya Rail Infrastructure Limited	3,751.60	356.81
	Arshiya Northern FTWZ Limited	337.26	166.06
	Arshiya Industrial & Distribution Hub Limited	514.50	0.87
	Arshiya Central FTWZ Limited	-	1.34
	Arshiya Transport and Handling Limited	-	0.27
	Arshiya Lifestyle Limited	725.10	-
	Arshiya Logistics Services Limited	3,361.30	-
Loans and advances taken	Mr. Ajay S Mittal	3,064.09	-
	Mrs. Archana A Mittal	4,260.42	1,587.81
Loans and advances taken repaid/adjusted*	Mr. Ajay S Mittal	2,594.62	0.04
	Mrs. Archana A Mittal	2,860.31	1,862.40
Conversion of Loan into Equity	Arshiya Rail Infrastructure Limited	-	1,852.22
	Arshiya Northern FTWZ Limited	-	4,480.51
	Arshiya Industrial & Distribution Hub Limited	-	1,041.57
	Arshiya Logistics Services Limited	50.00	-
Issue of Equity Shares and Warrants	Mr. Ajay S Mittal		
	Equity Share	5,835.00	-
	Share Warrants	5,820.00	-
	Mr. S. Maheshwari		
	Equity Share	583.50	
Share Warrants converted into Equity	Mr. Ajay S Mittal	4,959.75	-
Conversion of OCRPS into Equity	Arshiya Rail Infrastructure Limited	-	13,100.00
	Arshiya Northern FTWZ Limited	-	8,700.00
	Arshiya Industrial & Distribution Hub Limited	-	21,400.00
Investments purchased from	Arshiya Hong Kong Limited	-	1.00
	Cyberlog Technologies International Pte. Limited	-	1.00
	Cyberlog Technologies (UAE) FZE	-	2.00
	Mrs. Archana A Mittal	0.49	14.58
	Mr. Ajay S Mittal	-	0.28
Investments sold to	Rudradev Properties Private Limited	-	4.00
	Arshiya Industrial & Distribution Hub Limited	330.83	-
Security Deposit received	Arshiya Supply Chain Management Private Limited	11,500.00	-
Security Deposit repaid/ adjusted	Arshiya Supply Chain Management Private Limited	17,226.91	3,281.50
Corporate guarantees given	Arshiya Lifestyle Limited	31,316.02	-

Closing Balances

(Rs. in Lakh)

Nature	Related Party	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loans and advances given	Arshiya Rail Infrastructure Limited	2,029.26	473.99	1,454.20
	Arshiya Industrial & Distribution Hub Limited	14,471.17	86.32	507.71

Notes to the financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Nature	Related Party	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Arshiya Transport and Handling Limited	941.89	837.40	746.81
	Arshiya Northern FTWZ Limited	7,585.45	149.23	4,026.62
	Arshiya Technologies (India) Private Limited	2.70	0.82	-
	Arshiya Lifestyle Limited	9,980.99	-	-
Trade receivables #	Arshiya Supply Chain Management Private Limited	-	1.40	773.00
	Arshiya Logistics Services Limited	288.87	-	-
	Arshiya Lifestyle Limited	104.81	-	-
Trade Payables	Arshiya Northern FTWZ Limited	8.27	-	-
Security deposit Received	Arshiya Supply Chain Management Private Limited	-	5,788.50	9,070.00
Loans taken	Mr. Ajay S Mittal	469.75	0.28	0.04
	Mrs. Archana A Mittal	1,468.01	67.90	327.91
Share warrants	Mr. Ajay S Mittal	860.25	-	-
Personal guarantees taken	Mr. Ajay S Mittal	1,86,370.00	1,80,206.00	1,80,206.00
	Mrs. Archana A Mittal	1,86,370.00	1,80,206.00	1,80,206.00
Equity Shares (excluding share premium)	Mr. S. Maheshwari	20.00	-	-
Financial Guarantee Obligations	Arshiya Rail Infrastructure Limited	1,041.15	1,281.71	1,277.33
	Arshiya Industrial & Distribution Hub Limited	665.90	844.89	1,006.42
	Arshiya Northern FTWZ Limited	368.60	495.40	479.62
	Arshiya Supply Chain Management Private Limited	-	316.53	409.03
	Arshiya Lifestyle Limited	498.03	-	-

Notes to the financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Nature	Related Party	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investment in subsidiaries (Refer Note No.7)	Arshiya Industrial & Distribution Hub Limited	45,612.51	45,612.51	23,093.78
	Arshiya Northern FTWZ Limited	45,322.25	45,322.25	31,978.34
	Arshiya Rail Infrastructure Limited	40,105.02	40,105.02	24,864.69
	Arshiya Supply Chain Management Private Limited	-	4,669.03	4,669.03
	Arshiya Transport and Handling Limited	307.40	307.40	307.40
	Arshiya Technologies (India) Private Limited	2.00	2.00	1.00
	Arshiya Hong Kong Limited	-	-	532.50
	Cyberlog Technologies International Pte. Ltd.	-	-	605.00
	Arshiya International Singapore Pte. Limited	-	-	34.31
	Arshiya Central FTWZ Limited	-	-	1,105.00
	Arshiya Lifestyle Limited	513.34	14.85	14.85
	Arshiya Logistics Services Limited	155.50	-	-
Corporate guarantees/ securities issued to	Arshiya Northern FTWZ Limited	28,450.00	30,537.00	32,611.00
	Arshiya Rail Infrastructure Limited	48,200.19	57,233.00	76,548.19
	Arshiya Supply Chain Management Private Limited	-	18,500.00	18,500.00
	Arshiya Industrial & Distribution Hub Limited	29,600.00	48,169.43	47,338.00
	Arshiya Lifestyle Limited	30,548.68	-	-

* During the year, the Company has adjusted amount of Rs. 1,269.42 Lakh and Rs. 2,026.74 Lakh with receivable from Arshiya Rail Infrastructure Limited, which are payble by Arshiya Indusrial & Distribution Hub Ltd. (AIDHL) and Arshiya Northern FTWZ Ltd. (ANFL) to Arshiya Rail Infrastructure Limited.

During the year, the Company has adjusted amount of Rs. 90.18 Lakh with receivable from Arshiya Northern FTWZ Limited, which are payble by Arshiya Indusrial & Distribution Hub Ltd. to Arshiya Northern FTWZ Limited.

During the year, the Company has adjusted amount of Rs. 4.45 Lakh with receivable from Arshiya Rail Infrastructure Limited, which are payble by Arshiya Supply Chain Management Private Limited to Arshiya Rail Infrastructure Limited.

The Company has received Rs. 47.87 Lakh from Arshiya Industrial & Distribution Hub Limited for sales consideration of equity shares on behalf of Arshiya Northern FTWZ Limited.

During the year, the Company has adjusted amount of Rs. 262.38 Lakh with receivable from Arshiya Supply Chain Management Private Limited, which are payble by Arshiya Northern FTWZ Limited to Arshiya Supply Chain Management Private Limited.

Notes to the financial statements for the year ended 31st March, 2018

56 Loans and Advances in the nature of Loans to Subsidiaries (Pursuant to the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015):

Loans and Advances to Subsidiaries

(Rs. in Lakh)

Name of the Subsidiary	Year	Amount outstanding as on March 31,	Maximum amount outstanding during the year
Arshiya Rail Infrastructure Limited	2018	2,029.26	5,434.21
	2017	473.99	1,853.81
	2016	1,454.20	1,661.23
Arshiya Transport and Handling Limited	2018	941.89	1,054.27
	2017	837.40	1,050.46
	2016	746.81	1,049.21
Arshiya Industrial & Distribution Hub Limited	2018	14,471.17	14,482.75
	2017	86.32	1,041.56
	2016	507.71	538.92
Arshiya Northern FTWZ Limited	2018	7,585.45	7,653.69
	2017	149.23	4,480.50
	2016	4,026.62	4,080.57
Arshiya Technologies (India) Private Limited	2018	2.70	2.66
	2017	0.82	0.82
	2016	-	0.47
Arshiya Logistics Services Limited	2018	-	853.39
	2017	-	-
	2016	-	-
Arshiya Lifestyle Limited	2018	9,980.99	10,545.51
	2017	-	-
	2016	-	-
Total	**2018**	**35,011.46**	
	2017	**1,547.75**	
	2016	**6,735.34**	

57 **Earnings per share:**

Particulars	31st March 2018	31st March 2017
Profit/(Loss) for the year (Rs. in Lakh)	5,199.08	(7,017.64)
Add: Interest adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	946.32	-
Total Profit/(Loss) for the year for diluted EPS (Rs. in Lakh)	6,145.40	(7,017.64)
Number of equity shares		
Weighted average number of equity shares (Number)	18,31,20,902	15,61,79,472
Add: Adjustment on account of Share Warrants	5,91,781	-
Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	54,82,856	-
Total Weighted average number of equity shares/shares warrants/OCRPS	18,91,95,538	15,61,79,472
Nominal value per share (Amount in Rs.)	2.00	2.00
Earnings per share – Basic and Diluted (Amount in Rs.)	2.84	(4.49)

Notes to the financial statements for the year ended 31st March, 2018

0% OCRPS and share warrants had an anti diluting effect on earning per share hence have not been consider for the purpose of computing dilutive earning per share during the year.

58 Taxation

58.1 In view of loss for the year, no provision for current tax has been made.

58.2 The Company has not recognised any deferred tax assets on deductible temporary differences, unused tax losses as it is not probable that the Company will have sufficient future taxable profit which can be available against the available tax losses.

58.3 Unused tax losses for which no deferred tax assets has been recognised

(Rs. in Lakh)

Assessment Year	Business Loss	Unabsorbed Depreciation	Available for utilization till
2014-2015	4,802.34	1,201.54	A.Y. 2022-2023
2015-2016	-	4,322.75	A.Y. 2023-2024
2016-2017	6,042.33	4,011.34	A.Y. 2024-2025
2017-2018	45,551.72	3,826.58	A.Y. 2025-2026
2018-2019	6,089.95	319.22	A.Y. 2026-2027
Total	**62,486.34**	**13,681.43**	

Assessment Year	Long term Capital Loss	Available for utilization till
2016-2017	1,658.88	A.Y. 2024-2025
2018-2019	4,338.19	A.Y. 2026-2027
Total	**5,997.07**	

Deferred tax assets as at 31st March, 2018 Rs.18,584.87 Lakh (31st March, 2017 - Rs. 26,264.24 Lakh, 1st April, 2016 - Rs. 19,961.03 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilized by the Company. Details of deferred tax assets are mentioned below:

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Property, plant and equipment	6,460.79	4,446.90	3,907.80
Unabsorbed depreciation	(3,557.17)	(4,128.92)	(2,946.51)
Expenses allowable on payments under section 43B and 40 (a) (ia)	(508.83)	(4,796.69)	(16,263.42)
Unabsorbed losses	(17,805.69)	(17,768.22)	(3,692.73)
Financial Instruments	(3,173.97)	(4,017.31)	(966.17)
Total Deferred tax assets	**(18,584.87)**	**(26,264.24)**	**(19,961.03)**

59 During the year, the Company has allocated certain common costs and expenses incurred by it, being the Holding Company, to its subsidiaries aggregating to Rs.1,403.20 Lakh (31st March, 2017 - Rs. 1,403.22 Lakh,) based on management's estimates of such costs and expenses attributable to them. Hence, Employee benefit expenses (Refer Note No. 30) and certain expenses stated under Other expenses (Refer Note No. 33) are presented as net of allocation of certain common costs and expenses.

Notes to the financial statements for the year ended 31st March, 2018

60 Financial Risk Management

The Company's principal financial liabilities comprises of borrowings, trade and other payables and financial guarantees contracts. The main purpose of these financial liabilities is to manage for the Company's and subsidiaries's operations. The Company's financial assets comprises of investment, loans, trade and other receivables, cash and deposits that arises directly from its operations.

The Company's activities expose it to variety of financial risks including credit risk, liquidity risk and market risk. The Company's risks management assessment, management and processes are established to identify and analyze the risks faced by the Company to set up appropriate risks limits and controls, and to monitor such risks and compliances with the same. Risks assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Regular review of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Unhedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Unhedged

The Company's risk management is carried out by a corporate finance team under the policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas, such as credit risk, interest rate risk.

(a) Credit Risk

The Company is exposed to credit risk, which is risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents as well as credit exposures to trade customers including outstanding receivables.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Credit risk is high as only few customers' account for majority of the revenue in the year presented. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

(b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The Company's objective is to, at all times; maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company limits its liquidity risk by ensuring regular monitoring of funds from trade and other receivables. The Company relies on assets light business model through monetization of assets and tie-up of construction funding and operating cash flows to meet its needs for funds.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Notes to the financial statements for the year ended 31st March, 2018

Contractual maturities of financial liabilities

(Rs. in Lakh)

Particulars	less than 1 year	1 to 5 years	More than 5 year
31st March, 2018			
Financial liabilities			
Borrowings	25,679.56	59,630.96	-
OCRPS (Equity and Liability Component)	-	-	57,646.19
Trade payables	582.55	-	-
Creditors for Capital Goods	1,137.29	-	-
Financial guarantee obligations	606.11	2,191.60	-
Other financial liabilities	3,291.95	-	-
Total	**31,297.46**	**61,822.56**	**57,646.19**
31st March, 2017			
Financial liabilities			
Borrowings	33,964.95	58,128.49	-
Trade payables	367.80	-	-
Creditors for Capital Goods	2,057.76	-	-
Financial guarantee obligations	638.85	2,299.68	
Other financial liabilities	16,953.11	7,070.29	-
Mark to Market on derivative contracts	1,621.94	-	-
Total	**55,604.41**	**67,498.46**	**-**
1st April, 2016			
Financial liabilities			
Borrowings	1,04,269.51	19,729.06	-
Trade payables	226.02	-	-
Creditors for Capital Goods	2,273.33	-	-
Financial guarantee obligations	759.54	2,412.86	
Other financial liabilities	61,078.82	7,515.96	-
Mark to Market on derivative contracts	1,848.48	-	-
Total	**1,70,455.70**	**29,657.88**	**-**

(c) Market Risk

Market Risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: 1) Foreign currency risk and 2) Interest rate risk

1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flow or an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

1.1 Foreign currency risk exposure

(i) Derivative contracts entered into by the Company for hedging purpose:

Particulars	Financial Year Ended	Foreign currency amount (Amount in Lakh)	Equivalent amount in INR (Rs. in Lakh)
Financial Liabilities - Derivatives			
USD	31st March, 2018	-	-
	31st March, 2017	-	-
	1st April, 2016	380.75	25,226.55

Notes to the financial statements for the year ended 31st March, 2018

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

Particulars	Financial Year Ended	Foreign currency amount (Amount in Lakh)	Equivalent amount in INR (Rs. in Lakh)
Trade Receivables			
USD	31st March, 2018	5.32	341.98
	31st March, 2017	2.88	183.96
	1st April, 2016	6.72	439.97
EUR	31st March, 2018	0.05	3.89
	31st March, 2017	0.08	5.58
	1st April, 2016	0.10	7.47
Security Deposit from customer			
USD	31st March, 2018	5.47	351.42
	31st March, 2017	0.04	2.48
	1st April, 2016	-	-

1.2 Sensitivity

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(Rs. in Lakh)

Particulars	Increase/(decrease) in profit before tax	
	31st March, 2018	31st March, 2017
FX rate - increase by 1% on closing rate of reporting date	(0.06)	1.87
FX rate - (decrease) by 1% on closing rate of reporting date	0.06	(1.87)

The above amounts have been disclosed based on the accounting policy for exchange differences.

2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the Company's borrowings is fixed rate borrowings carried at amortised cost, therefore not subject to interest rate risk as defined in IND AS - 107, since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company's interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's borrowings at the variable rate were mainly denominated in Rupees.

2.1 Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(Rs. in Lakh)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Variable rate borrowing	1,491.67	6,768.84	61,572.08

2.2 Sensitivity of Interest

Profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of changes in interest rates.

(Rs. in Lakh)

Particulars	Increase/(decrease) in profit before tax	
	31st March, 2018	31st March, 2017
50 bps increase the profit before tax by	(7.46)	(33.84)
50 bps decrease the profit before tax by	7.46	33.84

Notes to the financial statements for the year ended 31st March, 2018

61 Fair Value Measurements

(i) Financial Instruments by Category

(Rs. in Lakh)

Particulars	Carrying Amount			Fair Value		
	31st March, 2018	31st March, 2017	1st April, 2016	31st March, 2018	31st March, 2017	1st April, 2016
Financial Assets						
Amortised cost						
Trade Receivables	764.60	217.80	1,208.78	764.60	217.80	1,208.78
Loans	35,011.46	1,547.75	6,735.34	35,011.46	1,547.75	6,735.34
Cash and Cash Equivalents	135.69	77.16	208.43	135.69	77.16	208.43
Other Bank Balances	0.04	0.04	188.03	0.04	0.04	188.03
Security Deposits	-	-	10.00	-	-	10.00
Other Financial Assets	1,458.30	-	-	1,458.30	-	-
Total	**37,370.09**	**1,842.75**	**8,350.58**	**37,370.09**	**1,842.75**	**8,350.58**
Financial Liabilities						
Amortised cost						
Borrowings	94,495.95	1,07,900.67	1,23,998.57	94,495.95	1,07,900.67	1,23,998.57
Trade Payables	582.55	367.80	226.02	582.55	367.80	226.02
Creditors for Capital Goods	1,137.29	2,057.76	2,273.33	1,137.29	2,057.76	2,273.33
Security Deposits	385.68	4,686.08	7,530.23	385.68	4,686.08	7,530.23
Financial guarantee obligations	2,797.71	2,938.53	3,172.39	2,797.71	2,938.53	3,172.39
Other financial liabilities	2,906.27	20,959.27	62,913.04	2,906.27	20,959.27	62,913.04
Total	**1,02,305.45**	**1,38,910.11**	**2,00,113.58**	**1,02,305.45**	**1,38,910.11**	**2,00,113.58**

(ii) Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

(a) The Company assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) The fair values for loans to subsidiaries, security deposits and other financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(c) The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(d) Equity Investments in subsidiaries are stated at cost.

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard.

(a) Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

Notes to the financial statements for the year ended 31st March, 2018

(b) Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

62 Capital Management

For the Company's objective when managing capital is to safeguard the Company's ability to continue going concern in order to provide the return to shareholders and benefit to other stakeholders and to maintain an optional capital structure to reduce the cost of capital, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares (if permitted). The Company monitors capital using a gearing ratio, which is debts divided by total equity.

As stated in Notes to accounts, the Company is also having scheme of arrangements to reorganize the capital structure.

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr 2016
Total Debts	96,492.66	1,20,438.71	1,79,982.04
Total Equity	1,65,827.64	1,22,860.65	22,744.60
Total debt to equity ratio (Gearing ratio)	0.58	0.98	7.91

Notes:-

(i) Debt is defined as long term and short term borrowings including current maturities of borrowings and interest accrued.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

Debt Covenants

Under the terms of Restructuring Agreement (RA), the Company is required to comply with following financial covenants:

Without prior approval of lender, the Company shall not:

(a) Loans, debenture & charge - Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference share capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.

(b) Dividend on equity shares - declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA.

In order to achieve this overall objective, the capital management, amongst other thing, aims to ensure that it meets financial covenants attached to the interest bearing Loans and borrowings that define capital structure requirements, there have been breaches in the financial covenants of Interest bearing loans and borrowing in the current period and previous period.

The Company has not proposed any dividend in last three year in view of losses incurred.

Notes to the financial statements for the year ended 31st March, 2018

63. Standards issued but not effective

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) has notified IND AS 115 - Revenue from contract with customers and certain amendment to existing IND AS. These amendments shall be applicable to the Company from 1st April, 2018.

(a) Issue of IND AS 115 - Revenue from contract with customers
IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 Revenue, IND AS 11 Construction Contracts and the related interpretation. IND AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued IND AS
The MCA has also carried out amendments of the following accounting standards:

(i) IND AS 21 - The Effect of Changes in foreign Exchange Rate
(ii) IND AS 40 - Investment Property
(iii) IND AS 12 - Income Tax
(iv) IND AS 28 - Investment in Associates and Joint ventures and
(v) IND AS 112 - Disclosure of interests in other entities

Applications of above standards are not expected to have any significant impact on the Company's financial statements.

64 First Time Adoption of Ind As

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note no. 3 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed
Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

(i) Deemed cost of property, plant and equipment and intangible assets
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets covered by Ind AS 38 - Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value as deemed cost.

(ii) Investments in subsidiaries
The Company has elected to apply Previous GAAP carrying amount as deemed cost on the date of transition to IND AS for its equity investment in subsidiaries.

(iii) Business combinations
Ind AS 101 provides an exemption for all transactions qualifying as business combinations, not to restate any business combinations under Ind AS 103, occurring before the transition date. The Company has elected to apply this exemption and accordingly the Company has not restated business combinations occurring before 1st April, 2016.

Mandatory exceptions applied
The following mandatory exception have been applied in accordance with IND AS 101 in preparing the financial statements.

Notes to the financial statements for the year ended 31st March, 2018

(i) Estimates

The Company estimates in accordance with IND AS at the date of transition to IND AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. IND AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with the previous GAAP except where IND AS required a difference basis for estimates as compared to the previous GAAP.

(ii) Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 “Financial Instruments” on the basis of facts and circumstances that exist at the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Balance sheet as at date of transition (1st April, 2016)

(Rs. in Lakh)

Particulars	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	1,23,224.78	(647.33)	1,22,577.45
(b) Other Intangible Assets	588.57	-	588.57
(c) Financial Assets			
(i) Investments	83,424.41	3,731.33	87,155.74
(ii) Loans	7,294.27	(5,913.95)	1,380.32
(d) Other Non-Current Assets	5,783.28	(10.00)	5,773.28
	2,20,314.31	**(2,839.95)**	**2,17,475.36**
Current assets			
(a) Financial Assets			
(i) Trade Receivables	1,217.78	(9.00)	1,208.78
(ii) Cash and Cash Equivalents	208.43	-	208.43
(iii) Bank Balances Other than (ii) above	188.03	-	188.03
(iv) Loans	-	5,355.02	5,355.02
(v) Other Financial Assets	-	10.00	10.00
(b) Other Current Assets	2,079.45	100.00	2,179.45
	3,693.69	**5,456.02**	**9,149.71**
TOTAL	**2,24,009.00**	**2,616.07**	**2,26,625.07**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	3,123.59	-	3,123.59
(b) Other Equity	19,903.45	(282.44)	19,621.01
	23,027.04	**(282.44)**	**22,744.60**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19,729.06	-	19,729.06
(ii) Other Financial Liabilities	-	9,928.82	9,928.82
(b) Provisions	88.02	-	88.02
(c) Other Non-Current Liabilities	13,498.05	(11,380.24)	2,117.81
	33,315.13	**(1,451.42)**	**31,863.71**

Notes to the financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	IGAAP	Ind-AS Adjustments	Ind-AS
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11,946.86	-	11,946.86
(ii) Trade Payables	226.02	-	226.02
(iii) Other Financial Liabilities	-	1,58,282.82	1,58,282.82
(b) Other Current Liabilities	1,53,638.99	(1,52,084.41)	1,554.58
(c) Provisions	1,854.96	(1,848.48)	6.48
	1,67,666.83	**4,349.93**	**1,72,016.76**
TOTAL	**2,24,009.00**	**2,616.07**	**2,26,625.07**

(ii) Balance sheet as at 31st March, 2017

(Rs. in Lakh)

Particulars	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	1,24,483.06	(970.59)	1,23,512.47
(b) Intangible Assets	431.95	0.07	432.02
(c) Financial Assets	-		
(i) Investments	1,31,776.06	4,257.00	1,36,033.06
(ii) Loans	1,941.05	(395.09)	1,545.96
(d) Other Non-Current Assets	1,483.52	-	1,483.52
	2,60,115.64	**2,891.39**	**2,63,007.03**
Current assets			
(a) Financial Assets			
(i) Trade Receivables	227.16	(9.36)	217.80
(ii) Cash and Cash Equivalents	77.16	-	77.16
(iii) Bank Balances Other than (ii) above	0.04	-	0.04
(iv) Loans	-	1.80	1.80
(b) Other Current Assets	2,130.56	-	2,130.56
	2,434.92	**(7.56)**	**2,427.36**
TOTAL	**2,62,550.56**	**2,883.83**	**2,65,434.39**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	3,123.59	-	3,123.59
(b) Other Equity	9,368.33	1,10,368.73	1,19,737.06
	12,491.92	**1,10,368.73**	**1,22,860.65**
Debt convertible into Equity and Zero Percent Optionally Convertible Redeemable Preference Shares	**1,26,200.00**	**(1,26,200.00)**	**-**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	58,128.49	16,008.18	74,136.67
(iii) Other Financial Liabilities	-	9,369.97	9,369.97
(b) Provisions	132.36	-	132.36
(c) Other Non-Current Liabilities	9,051.76	(7,420.28)	1,631.48
	67,312.61	**17,957.87**	**85,270.48**

Notes to the financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	IGAAP	Ind-AS Adjustments	Ind-AS
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	4,942.09	-	4,942.09
(ii) Trade Payables	367.80	-	367.80
(iii) Other Financial Liabilities	-	50,093.58	50,093.58
(b) Other Current Liabilities	49,605.29	(47,714.42)	1,890.87
(c) Provisions	1,630.85	(1,621.93)	8.92
	56,546.03	**757.23**	**57,303.26**
TOTAL	**2,62,550.56**	**2,883.83**	**2,65,434.39**

(iii) Statement of Profit and Loss for the year ended 31st March, 2017

(Rs. in Lakh)

Particulars	IGAAP	Adjustments	IND AS Balance
REVENUE			
Revenue from operations	7,581.02	492.37	8,073.39
Other income	21.08	953.65	974.73
Total Revenue (I)	**7,602.10**	**1,446.02**	**9,048.12**
EXPENSES			
Material Handling and other charges	316.22	(15.13)	301.09
Employee benefits expense	1,375.52	(9.03)	1,366.49
Finance costs	12,313.93	735.58	13,049.51
Depreciation and amortization expense	1,858.27	323.19	2,181.46
Other expenses	1,181.75	15.50	1,197.25
Total Expenses (II)	**17,045.69**	**1,050.11**	**18,095.80**
Profit/(loss) before exceptional items and tax (I-II)	**(9,443.59)**	**395.91**	**(9,047.68)**
Exceptional Items	1,073.95	(3,103.99)	(2,030.04)
Prior Period Adjustments	17.57	(17.57)	-
Profit/(loss) before tax	**(10,535.11)**	**3,517.47**	**(7,017.64)**
Tax expense:			
Current tax	-	-	-
Deferred tax	-	-	-
Profit/(loss) for the year	**(10,535.11)**	**3,517.47**	**(7,017.64)**
OTHER COMPREHENSIVE INCOME			
A. Item not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains/(losses) on defined benefit plans		(9.03)	(9.03)
Other Comprehensive income for the year	**-**	**(9.03)**	**(9.03)**
Total comprehensive income for the year	**(10,535.11)**	**3,508.44**	**(7,026.67)**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

Notes to the financial statements for the year ended 31st March, 2018

(iv) Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016

(Rs. in Lakh)

Particulars	Note	31st March, 2017	1st April, 2016
Total equity (shareholder's funds) as per previous GAAP		12,491.92	23,027.04
Adjustments:			
Fair valuation of loans to subsidiaries	1	165.64	-
Fair valuation of financial guarantees	2	759.54	-
Fair valuation of financial instruments	3,4,5,7,8	3,275.56	613.56
Expected credit losses on financial assets	6	(9.36)	(9.00)
Debt convertible into Equity classified as other equity	7	18,766.71	-
Fair valuation of optionally convertible redeemable preference shares (OCRPS)	8	88,620.84	-
Prior period item adjustments	10	(1,210.20)	(887.00)
Other Comprehensive Income (OCI):			
Total adjustments		**1,10,368.73**	**(282.44)**
Total equity (shareholder's fund) as per Ind AS		**1,22,860.65**	**22,744.60**

(v) Reconciliation of total comprehensive income for the year ended 31st March, 2017

(Rs. in Lakh)

Particulars	Note	31st March, 2017
Profit after tax as per previous GAAP		(10,535.11)
Adjustments:		
Fair valuation of loans to subsidiaries	1	165.64
Fair valuation of financial guarantees	2	759.54
Recognition of financial liabilities at amortised cost	3,7,8	3,132.46
Fair valuation of financial instrument	4,5	(243.21)
Expected credit losses on financial assets	6	(0.36)
Actuarial (gain)/ Loss on employee defined benefit fund recognised in Other Comprehensive Income	9	9.03
Prior Period Adjustments	10	(305.63)
Total adjustments		**3,517.47**
Profit after tax as per Ind AS		**(7,017.64)**
Other comprehensive income	**11**	**(9.03)**
Total comprehensive income as per Ind AS		**(7,026.67)**

C. Notes to first-time adoption:

1 Loan to Subsidiaries

Under the Previous GAAP, interest free loan to subsidiaries are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued loan to subsidiaries under Ind AS. Difference between the fair value and transaction value of the loan to subsidiaries has been increased in investment at the first time adoption. subsequently amortised as an interest income from loan to subsidiaries to the Statement of Profit and Loss. Consequent to this change, the amount of loan to subsidiaries decreased by Rs.558.93 Lakh as at 1st April, 2016 and investment increased by Rs. 558.93 Lakh as at 1st April, 2016. The profit for the year ended 31st March, 2017 increased by Rs. 165.64 Lakh.

2 Financial guarantee obligations

Under Ind AS, financial guarantee given by the Company for its subsidiaries are initially recognised as a financial liability at fair value which is subsequently amortised as a financial guarantees income to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

Notes to the financial statements for the year ended 31st March, 2018

Accordingly, the Company has recognised financial guarantee obligations of Rs. 3,172.39 Lakh and increased by investment Rs. 3,172.39 Lakh as at 1st April, 2016. On account of the aforesaid adjustment, the Company has recognised other income of Rs. 759.54 Lakh in the Statement of profit and loss for the year ended 31st March, 2017.

Further the Company has recognised additional financial guarantee obligations of Rs. 525.67 Lakh and increased by investment Rs. 525.67 Lakh as at 31st March, 2017 due to movement in financial guarantee given by the Company for its subsidiaries.

3 Borrowings

Under the Previous GAAP, transaction costs were charged to profit or loss as and when incurred. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Accordingly, Non current borrowing and current maturities decreased by Rs. 1,704.31 Lakh as at 31st March 2017 (1st April, 2016 - Rs. Nil).

4 Security deposits

Under the Previous GAAP, interest free refundable security deposits from unitholders are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as advance rent. Consequent to this change, the amount of security deposits decreased by Rs. 1,705.89 Lakh as at 31st March, 2017 (1st April, 2016 - Rs. 2,117.81 Lakh). The advance rent increased by Rs. 1,631.48 Lakh as at 31st March, 2017 (1st April, 2016 - Rs. 2,117.81 Lakh). The profit for the year ended 31st March, 2017 increased by Rs. 74.41 Lakh due to amortisation of the advance rent of Rs. 492.36 Lakh which is partially off-set by the unwinding interest expenses of Rs.417.95 Lakh recognised on security deposits.

5 Fair value of financial instruments

Under the previous GAAP, settlement on account of derivatives contracts is recorded at its transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value which is subsequently amortised as an unwinding interest on financial instruments to the Statement of Profit and Loss over the tenure of financial liability. Accordingly, the company has fair valued this liability under Ind AS. Accordingly, the amount of settlement of account of derivatives contracts decreased by Rs. 513.57 Lakh as at 1st April, 2016. The profit for the year ended 31st March, 2017 decreased by Rs. 317.64 Lakh.

6 Expected credit loss on financial assets

Under the Previous GAAP, the company has created provision for impairment of trade receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). The Company is also required to account for loss allowance on trade receivables based on the Expected Credit Loss model. Total equity and trade receivables as at 1st April, 2016 decreased by Rs. 9.00 Lakh. The profit for the year ended 31st March, 2017 decreased by Rs. 0.36 Lakh.

7 Debt convertible into Equity classified as other equity

Debt convertible into Equity of Rs. 18,766.71 Lakh is classified as other equity under IND AS. Incidential expenses of Rs. 227.25 Lakh incurred towards restructuring of origination of debt deducted from the security premium account on initial recognition i.e. 31st March, 2017.

8 0% Optionally convertible redeemable preference shares (OCRPS)

The company has issued 0% optionally convertible redeemable preference shares (OCRPS). Under Ind AS, The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. Interest on liability component is recognised using the effective interest method. Accordingly, the Company recoginsed as liability component of Rs. 17,511.54 Lakh as at 31st March, 2017 (1st April, 2016 - Rs. Nil) and as equity component of Rs. 88,620.84 Lakh as at 31st March, 2017 (1st April, 2016 - Rs. Nil). Transaction costs of Rs. 214.64 Lakh incurred on liability component deducted from the liability component and Rs. 1,086.26 Lakh incurred on equity component deducted from the equity component on initial recognition.

9 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2017 decreased by Rs. 9.02 Lakh.

Notes to the financial statements for the year ended 31st March, 2018

10 Prior Period Adjustments

During the year life of internal roads was changed retrospectively from 60 years to 10 years and accordingly depreciation amount and book value of internal roads have been changed.

11 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

12 Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

13 Cash Flow Statement

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flow from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the previous GAAP.

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 24th May 2018

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Vinod Kumar Jain
VP - Accounts & Finance

INDEPENDENT AUDITORS' REPORT

To the Members of
Arshiya Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Arshiya Limited ("hereinafter referred to as the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Parent Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Parent Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent Company's preparation of the consolidated Ind AS 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 Parent Company's Board of Directors and Management, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in paragraph 10.1 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

7. Basis for Qualified Opinion

7.1 As mentioned in Note no. 44 of the Consolidated Ind AS Financial Statement, as per debt covenant of Restructuring Agreement (RA), the Group is required to adhere to repayment schedule and such event of default gives Edelweiss Assets Reconstruction Company Limited (EARC) right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into *fully paid up equity shares of the Parent Company and its respective Subsidiaries. Pending exercise of conversion right, the Group continues to disclose amount bifurcated between non-current borrowing amounting to Rs. 1242,27.28 Lakh and current maturity of borrowing amounting to Rs. 56,71.09 Lakh and provide for interest. Further, the Group is also liable to pay penal interest amounting to Rs. 10,99.43 Lakh for the year ended 31st March 2018, as confirmed by EARC. No provision for such interest is made in the books of account, which is not in compliance with requirements of Ind AS - 23 on "Borrowing Cost". Had provision for such amount would have been made finance cost would have been higher by amount as mentioned above, total comprehensive income would have been lower to that extent and having consequential impact on other equity and financial liabilities.*

7.2 *As mentioned in Note no. 45 of the Consolidated Ind AS Financial Statement, the Parent Company failed to adhere to the repayment schedule prescribed in supplement consent terms. As a result, event of default has occurred and the entire debt prior to date of settlement become payable along with interest. The Parent Company has not reversed amount written back on settlement of first consent terms of Rs. 17,19.59 Lakh and not accrued interest amounting to Rs. 2,37.50 Lakh. Had the Parent Company reversed the amount written back and made provision for interest, finance cost and other expenses would have been higher by amount as mentioned above, having consequential impact on total comprehensive income, other equity and financial liabilities.*

7.3 *As mentioned in Note no. 46 of the Consolidated Ind AS Financial Statement, banks revoked the Corporate Debt Restructuring (CDR) package in July 2015 in subsidiaries. Those subsidiaries continued to accounts for interest on such borrowings at interest rate prescribed in CDR package instead of original loan documents. Pending finalization and confirmations, differential interest cannot be ascertained / quantified and have not been recognized in the books of account.*

8. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Paragraphs above "Basis for Qualified Opinion, the aforesaid consolidated Ind AS 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 including Ind AS specified under Section 133 of the Act, of the consolidated financial position of the Group as at 31st March, 2018, and their consolidated financial performance (including Other Comprehensive Income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

9. Emphasis of Matters

9.1 We draw attention to the Note no. 41 to the Consolidated Ind AS Financial Statement, which indicates that the certain Subsidiaries has incurred net losses, unable to meet its financial obligations and as of that date their accumulated losses is resulting in negative net worth of those subsidiaries and current liabilities have exceeded their current assets. These conditions, along with other matters as set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about those subsidiaries ability to continue as a going concern. Arshiya Limited, the Parent Company, has given a support letter to extend, for the foreseeable future, any financial support which may be required by those subsidiaries. Further, in view of various steps taken by the management, future outlook as assessed by the management and the business plans and in lieu of the support letter from the Parent Company, the management has assessed those subsidiaries continues to be going concern.

9.2 We draw attention to the Note no. 61 of the Consolidated Ind AS Financial Statement, reconciliation and balance confirmations of trade receivables, trade payables and loan and advances are not available in certain subsidiaries. The accounting impact of variations, if any, will be accounted as and when the same is settled.

Our Opinion is not modified in respect of the above said matters.

10. Other Matters

10.1 The Ind AS financial statements of 3 subsidiaries included in the Consolidated Ind AS Financial Statements, which reflects total assets of Rs. 56,58.54 Lakh as at 31st March, 2018, total revenues of Rs. 85,02.22 Lakh, and net cash inflows of Rs. 7,49.73 Lakh for the year then ended, have been audited by Deloitte Haskins and Sells LLP, Chartered Accountants (Firm registration no. 117366W/W-100018), financial statements / financial information have been furnished to us by management and our opinion on the Consolidated Ind AS Financial Statement in so far as it related to this subsidiaries are based on reports of other auditor of those subsidiaries on which we have placed reliance. Our opinion on the consolidated Ind AS financial statements is not modified in respect of the said matter with respect to our reliance on the work done and the reports of the other auditor.

10.2 The Group had prepared the audited consolidated financial statements for the corresponding year ended 31st March, 2017 and transition date opening balance sheet as at 1st April 2016 in accordance with the Companies (Accounting Standards) Rules, 2006 referred to in Section 133 of the Act, on which M. A. Parikh & Co., Chartered Accountants (Firm registration no. 107556W) vide their audit report dated 18th May, 2017 and 25th May, 2016, respectively, had issued an modified audit report. The Consolidated Ind AS financial statements for the year ended 31st March, 2017 and transition date opening balance sheet as at 1st April 2016 and are based on previously audited consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us, read with paragraphs 10.1 above.

Our opinion is not modified in respect of the above said matters.

Report on Other Legal and Regulatory Requirements

11. As required by Section143(3) of the Act, we report, to the extent applicable, that:

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

(b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts, maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules there under;

(e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2018, taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditor of its subsidiaries, none of the directors of the these companies are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The matters described in paragraphs above in 9.1 under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Arshiya Rail Infrastructure Limited Arshiya Transport and Handling Limited;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Parent Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A;

(h) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

(i) With respect to the other matters to be included in the Auditors' 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 consolidated Ind AS financial statements discloses the impact of pending litigations as at 31st March, 2018 on the consolidated financial position of the Group – Refer Note no. 36.1,(a),(b),(d),(e),(h) and 38 to the consolidated Ind AS financial statements.

ii. The Group does not have any long term contracts including derivative contracts and hence there are no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company during the year ended 31st March, 2018 and in case of subsidiary companies incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended March 31, 2018.

F**or Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859
Place: Mumbai
Date: 24th May 2018

"Annexure A" to the Independent Auditor's Report

Referred to in paragraph 11(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Limited on the Consolidated Ind AS financial statements for the year ended 31st March 2018.

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

In conjunction with our audit of consolidated Ind AS financial statements of Arshiya Limited ("the Parent Company") as of 31st March, 2018 we have audited the internal financial controls over financial reporting of the Parent Company and Subsidiarity companies which are companies incorporated in India

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent company and its subsidiaries which incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these Companies 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. 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 respective 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 Parent Company's and subsidiaries which are incorporated in India, 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 judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Parent Company and its subsidiaries incorporated in India, 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 consolidated Ind AS 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 consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated Ind AS 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, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Parent Company and its subsidiaries which are companies incorporated in India, have, maintained 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 March 31, 2018, based on the internal control over financial reporting criteria established by the Parent 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.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Parent Company and its subsidiaries which are companies incorporated in India, insofar as it relates to, three Subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India. Our opinion is not modified in respect of the said matter.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: 24th May 2018

Consolidated Balance Sheet as at 31st March, 2018

(Rs. in Lakh)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	7	2,82,377.19	3,15,449.26	3,22,450.61
(b) Goodwill		19.17	-	-
(c) Intangible Assets	8	5,036.75	3,547.25	4,245.70
(d) Financial Assets				
(i) Other Financial Assets	9	1,732.58	-	41.73
(e) Other Non-Current Assets	10	4,822.26	3,097.15	7,837.38
		2,93,987.95	**3,22,093.66**	**3,34,575.42**
Current assets				
(a) Inventories	11	15.66	15.73	160.41
(b) Financial Assets				
(i) Trade Receivables	12	2,742.67	2,369.45	2,144.60
(ii) Cash and Cash Equivalents	13	1,285.84	332.93	778.91
(iii) Bank Balances Other than (ii) above	14	498.54	519.29	395.22
(iv) Other Financial Assets	15	12,413.89	117.10	779.19
(c) Other Current Assets	16	4,289.67	4,544.37	4,303.90
		21,246.27	**7,898.87**	**8,562.23**
Total Assets		**3,15,234.22**	**3,29,992.53**	**3,43,137.65**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	17	4,564.34	3,123.59	3,123.59
(b) Other Equity	18	69,665.49	28,977.19	(41,073.54)
		74,229.83	**32,100.78**	**(37,949.95)**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	1,40,059.93	1,46,277.20	55,344.36
(ii) Other Financial Liabilities	20	1,942.39	2,801.86	3,336.43
(b) Provisions	21	203.82	123.49	98.01
(c) Other Non-Current Liabilities	22	1,723.69	2,946.00	3,358.90
		1,43,929.83	**1,52,148.55**	**62,137.70**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	13,753.15	6,994.61	18,035.82
(ii) Trade Payables	24	1,926.99	1,732.57	1,544.47
(iii) Other Financial Liabilities	25	77,689.98	1,31,567.62	2,94,843.83
(b) Other Current Liabilities	26	3,682.01	5,426.61	4,509.14
(c) Provisions	27	22.43	21.79	16.64
		97,074.56	**1,45,743.20**	**3,18,949.90**
Total Equity and Liabilities		**3,15,234.22**	**3,29,992.53**	**3,43,137.65**

Notes to the financial statements 1 to 72

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 24th May 2018

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Vinod Kumar Jain
VP - Accounts & Finance

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	Notes	Year Ended 31st March, 2018	Year Ended 31st March, 2017
INCOME			
Revenue from operations	28	25,906.69	26,885.14
Other income	29	1,665.19	633.82
Total Income (I)		**27,571.88**	**27,518.96**
EXPENSES			
Material handling expenses & other charges		1,211.35	1,017.02
Freight expenses	30	11,668.31	13,967.55
Terminal expenses		304.26	388.74
Other operating expenses		374.90	472.71
Operating lease rent		902.54	-
Employee benefits expense	31	3,634.54	3,560.90
Finance costs	32	29,655.06	29,472.73
Depreciation and amortization expense	33	10,171.76	10,791.28
Other expenses	34	4,047.50	3,777.87
Total Expenses (II)		**61,970.22**	**63,448.80**
Profit/(loss) before exceptional items and tax (I-II)		**(34,398.34)**	**(35,929.84)**
Exceptional Items (net)	35	(39,473.20)	2,332.06
Profit/(loss) before tax		**5,074.86**	**(38,261.90)**
Tax expense:	**66**		
Current tax		-	-
Adjustment of tax relating to earlier periods		27.42	2.63
Deferred tax		-	-
Profit/(loss) for the year		**5,047.44**	**(38,264.53)**
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans		(9.67)	(15.14)
Other Comprehensive income for the year		**(9.67)**	**(15.14)**
Total Comprehensive Income for the year		**5,037.77**	**(38,279.67)**
Profit for the year attributable to:			
Equity holders of the parent		5,047.44	(38,264.53)
Non-controlling interests		-	-
		5,047.44	**(38,264.53)**
Other comprehensive income for the year attributable to:			
Equity holders of the parent		(9.67)	(15.14)
Non-controlling interests		-	-
		(9.67)	**(15.14)**
Total comprehensive income for the year attributable to:			
Equity holders of the parent		5,037.77	(38,279.67)
Non-controlling interests		-	-
		5,037.77	**(38,279.67)**
Earning per share (face value of Rs. 2 each)	65		
Basic and Diluted		2.76	(24.51)

Notes to the financial statements 1 to 72

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 24th May 2018

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Vinod Kumar Jain
VP - Accounts & Finance

Consolidated Statement of changes in Equity for the year ended 31st March, 2018

A. Equity Share Capital (Refer Note No. 17)	
Particulars	**Rs. in Lakh**
Equity Shares of Rs. 2 each issued, subscribed and paid up	
As at 1st April, 2016	3,123.59
Issue of Equity Shares	-
As at 31st March, 2017	**3,123.59**
Issue of Equity Shares	1,440.75
As at 31st March, 2018	**4,564.34**

B. Other Equity (Refer Note No. 18) (Rs. in Lakh)

Particulars	Other Reserve					Reserves and Surplus				Total
	Share application money pending allotment	Money received against share warrants	Equity Component of 0% Optionally Convertible Preference shares (OCRPS)	Capital Reserve	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	
Balances as on 1st April, 2016	**-**	**-**	**-**	**-**	**124.80**	**79,844.68**	**940.18**	**(1,22,288.98)**	**305.78**	**(41,073.54)**
Profit/(loss) for the year	-	-	-	-	-	-	-	(38,264.53)	-	(38,264.53)
Other comprehensive income	-	-	-	-	-	-	-	(15.14)	-	(15.14)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(38,279.67)**	**-**	**(38,279.67)**
Adjustment upon acquisition/(disposal) of subsidiaries	-	-	-	1.58	-	-	-	-	(305.78)	(304.20)
Transaction costs on issue of equity shares	-	-	-	-	-	(327.25)	-	-	-	(327.25)
Fair valuation of Restructured Loan	-	-	-	-	-	-	-	1,613.86	-	1,613.86
Prior period adjustments	-	-	-	-	-	-	-	(39.56)	-	(39.56)
Equity share application money pending allotment	18,766.71	-	-	-	-	-	-	-	-	18,766.71
Issue of 0% optionally convertible redeemable preference shares (OCRPS)	-	-	88,620.84	-	-	-	-	-	-	88,620.84
Balances as at 31st March, 2017	**18,766.71**	**-**	**88,620.84**	**1.58**	**124.80**	**79,517.43**	**940.18**	**(1,58,994.35)**	**-**	**28,977.19**
Profit/(loss) for the year	-	-	-	-	-	-	-	5,047.44	-	5,047.44
Other comprehensive income	-	-	-	-	-	-	-	(9.67)	-	(9.67)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,037.77**	**-**	**5,037.77**
On issue of equity shares	(18,766.71)	-	(41,068.97)	-	-	95,278.86	-	-	-	35,443.18
Money received against share warrants	-	860.25	-	-	-	-	-	-	-	860.25
Issue of optionally convertible redeemable preference shares	-	-	519.09	-	-	-	-	-	-	519.09
Others (net)	-	-	-	-	-	-	-	(1,134.37)	-	(1,134.37)
Transaction costs on issue of equity shares	-	-	-	-	-	(37.62)	-	-	-	(37.62)
Balances as at 31st March, 2018	**-**	**860.25**	**48,070.96**	**1.58**	**124.80**	**1,74,758.67**	**940.18**	**(1,55,090.95)**	**-**	**69,665.49**

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Place: Mumbai
Date: 24th May 2018

Savita Dalal
Company Secretary

Vinod Kumar Jain
VP - Accounts & Finance

Consolidated Cash Flow Statement for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars		Year Ended 31st March, 2018	Year Ended 31st March, 2017
Cash flow from operating activities			
Profit/(Loss) before tax		**5,074.86**	**(38,261.90)**
Adjustments for:			
Mark to Market gain		-	(233.40)
Bad debts		101.54	65.63
Sundry balances written back (net)		(452.89)	(57.77)
Recovery of bad debt/expenses provided in earlier year		-	(38.00)
Recovery of excess remuneration from Whole Time Director		-	(83.52)
Loss on sale/discard of Property, plant and equipment /other assets written off		543.26	368.01
(Gain) on monetization of Property, plant and equipment		(15,633.29)	-
Irrecoverable advances written off		-	139.54
Provision for doubtful debts/Expected credit loss		(52.12)	51.54
Excess provision written back		(463.14)	(50.80)
Provision for interest on statutory dues written back		-	(82.69)
Reconciliation of loan accounts (net)		(562.39)	6,864.17
Settlement of claims		(19,478.47)	(6,891.03)
Compensation on shares invoked by lender		-	659.30
Provision for doubtful advances		-	1,395.00
Depreciation and amortization expense		10,171.76	10,791.28
Interest expense		29,655.06	29,472.73
Government grant income		(365.49)	(365.49)
Financial guarantee income		(2.57)	-
Interest income		(54.23)	(40.53)
Dividend income		(0.60)	-
Foreign exchange differences (net)		(105.30)	11.56
Operating profit before working capital changes		**8,375.99**	**3,713.63**
Adjustments for :			
Decrease in inventories		0.07	121.24
Increase in financial and other assets		(15,153.02)	(74.85)
Decrease in financial and other liabilities		(6,645.95)	(500.11)
Cash generated from operations		**(13,422.91)**	**3,259.91**
Direct taxes paid		(516.00)	290.22
Net cash flow from operating activities	**(A)**	**(13,938.91)**	**3,550.13**
Cash flow from investing activities			
Purchase of property, plant and equipment		(4,589.07)	(522.63)
Purchase of intangible assets		(2,239.00)	-
Proceeds from sale of property, plant and equipment		67.61	-
Proceeds from monetization of property, plant and equipments (Refer Note No. 63)		43,400.00	-
Capital advances		(49.23)	8.48
Dividend income		0.60	-
Interest received		54.23	40.53
Net cash flow from investing activities	**(B)**	**36,645.14**	**(473.62)**

(Rs. in Lakh)

Particulars		Year Ended 31st March, 2018	Year Ended 31st March, 2017
Cash flow from financing activities			
Issue of Equity shares (including security premium)		15,268.39	-
Money received against share warrants		860.25	-
Proceeds from non-current borrowings		3,200.00	9,445.30
Repayment of non-current borrowings		(36,864.72)	-
Short-term borrowings (net)		6,755.45	(11,041.21)
Interest paid		(10,993.44)	(1,802.51)
Net cash flow from financing activities	**(C)**	**(21,774.07)**	**(3,398.42)**
Net (decrease)/increase in cash and cash equivalents (A + B + C)		**932.16**	**(321.91)**
Cash and cash equivalents as at the beginning of the year		852.22	1,174.13
Cash and cash equivalents as at the end of the year		**1,784.38**	**852.22**

Change in liabilities arises from financing activities (Rs. in Lakh)

Particulars	Long term Borrowings	Short term Borrowings
As at 1st April, 2017	2,18,919.63	6,994.61
Less: IND AS Adjustments	(5,593.02)	-
Add: Non cash items	(3,199.21)	3.09
Add/Less: Cash flow	(33,664.72)	6,755.45
As at 31st March, 2018	1,76,462.68	13,753.15

Notes:

1. Bracket indicates cash outflow.
2. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flow.

Notes to the financial statements 1 to 72

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

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S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Vinod Kumar Jain
VP - Accounts & Finance

Place: Mumbai
Date: 24th May 2018

Notes to the Consolidated financial statements for the year ended 31st March, 2018

1 Corporate Information

Arshiya Limited (hereinafter referred to "the Parent Company" or "the Company") together with its subsidiaries (collectively referred to as "Group") is a flagship Company of Arshiya Group. It is pioneering Unified Supply Chain and integrated logistics infrastructure solution provider Group headquartered in India. The group businesses comprises of Free Trade and Warehousing Zone (FTWZ), Rail & Rail Infrastructure, Industrial and Distribution hubs, Indian Container Depot (ICD), Domestic Warehousing, Forwarding, Transport & Handling, Supply Chain technology and Management solutions.

These statements comprises of Consolidated Financial Statements ("CFS") of Arshiya limited (CIN: L93000MH1981PLC024747) and its subsidiaries for the year ended 31st March, 2018. The Company is a public company domiciled in India and is incorporated on 3rd July, 1981 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

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

The Consolidated Financial Statements for the year ended 31st March, 2018 were approved and adopted by board of directors in their meeting held on 24th May, 2018.

2 Basis of preparation of consolidated financial statement

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, (as amended).

For all periods up to year ended 31st March, 2017, the Group prepared its consolidated financial statements in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP"), as prescribed under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2016 (Previous GAAP). These consolidated financial statements for the year ended 31st March, 2018 are the first consolidated financial statements, the Group has prepared in accordance with Ind AS.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which are measured at fair value / amortized cost.

The consolidated financial statements are presented in Indian Rupees (Rs.) which is the Group's functional and presentation currency and all values are rounded to the nearest lakh, except when otherwise indicated.

3 Basis for Consolidation

The consolidated financial statements comprise of the financial statements of the Parent Company and its subsidiaries as at 31st March, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements from the date the Group obtains control and assets, liabilities, income and expenses of a subsidiary disposed off during the year are included in the consolidated financial statements till the date the Group ceases to control the subsidiary.

The CFS includes the Financial Statements of the Parent Company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

Name of the entity	Country of Incorporation	Proportion of interest (including beneficial interest)/ voting power (either directly/ indirectly or through subsidiaries)		
Direct Subsidiaries:		**31st March, 2018**	**31st March, 2017**	**1st April, 2016**
Arshiya Rail Infrastructure Limited (ARIL) @	India	100%	100%	100%
Arshiya Northern FTWZ Limited (ANFL)	India	100%	100%	100%
Arshiya Industrial & Distribution Hub Limited (AIDHL) $	India	100%	100%	100%
Arshiya Lifestyle Limited (ALL) (w.e.f. 8th February, 2017)	India	100%	100%	Nil
Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited) (LBETL) (w.e.f. 13th June, 2017)	India	100%	Nil	Nil
Arshiya Transport and Handling Limited (ATHL)	India	100%	100%	100%
Arshiya Technologies (India) Private Limited (ATIPL)*	India	100%	100%	100%
Arshiya Supply Chain Management Private Limited (ASCM) (up to 21st March, 2018) $$	India	Nil	100%	100%
Arshiya Central FTWZ Limited (up to 21st March, 2017) $$$	India	Nil	Nil	100%
Arshiya Hong Kong Limited (up to 21st March, 2017)	Hong Kong	Nil	Nil	100%
Cyberlog Technologies International Pte. Limited (up to 21st March 2017)	Singapore	Nil	Nil	100%
Arshiya International Singapore Pte. Limited (up to 21st March, 2017)	Singapore	Nil	Nil	100%
Indirect Subsidiaries:				
Held through Arshiya Rail Infrastructure Limited:				
Arshiya Rail Siding and Infrastructure Limited (ARSIL) (up to 3rd February, 2018)	India	Nil	100%	100%
Held through Cyberlog Technologies International Pte Limited:				
Cyberlog Technologies (UAE) FZE (up to 21st March, 2017)	U.A.E.	Nil	Nil	100%

Note:
@ Nil (31st March, 2017 - Nil, 1st April, 2016 - 5.27%) held through Arshiya Hong Kong Limited
$ Nil (31st March, 2017- Nil, 1st April, 2016 - 9.38 %) held through Cyberlog Technologies (UAE) FZE
$$ Nil (31st March, 2017 - 12.64%, 1st April, 2016 - 12.64%) held through Arshiya Northern FTWZ Limited
$$$ Nil (31st March, 2017 - 48.33%, 1st April, 2016 - 48.33%) held through Arshiya Hong Kong Limited
*Nil (31st March, 2017 - Nil, 1st April, 2016 - 90.11%) held through Cyberlog Technologies International Pte. Limited

4 Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The difference between the cost of investment in the subsidiaries and the Parent's share of net assets at the time of acquisition of control in the subsidiaries is recognised in the consolidated financial statement as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.

(c) Intra-Group balances and transactions, and any unrealized income and expenses arising from intra Group transactions, are eliminated in preparing the consolidated financial statements.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(d) Consolidated statement of Profit and Loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(e) For the acquisitions of additional interests in subsidiaries, where there is no change in the control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests, the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit and loss. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(f) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

(g) Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, if any, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

(h) In the case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average exchange rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Components of equity are translated at closing rate. Any gain / (Loss) on exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve (FCTR) through OCI.

The financial statements are presented in Indian Rupees (Rs.), which is the Group's functional and presentation currency and all values are rounded to the nearest lakh, except when otherwise indicated.

5 Significant Accounting Policies

5.1 Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.

Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Leasehold improvements are amortized over the period of lease. Depreciation on property, plant and equipment which are added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated and under the previous GAAP land was revalued.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Property, plant and equipment are eliminated from consolidated financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of property, plant and equipment are recognised in the consolidated statement of profit and loss in the year of occurrence.

The Group has opted to continue with the carrying values of all of its property, Plant and Equipment as recognised in the Previous GAAP financial statements as deemed cost at the transition date i.e. 1st April, 2016.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

5.2 Intangible Assets

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Railways License fees is amortized over a period of twenty years being the license period as per agreement.

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

Computer softwares are capitalized at the amounts paid to acquire the respective license for use and are amortized over the period of three to seven years. The assets' useful lives are reviewed at each financial year end.

Trademark are amortised over the period of ten (10) years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

The Group has opted to continue with the carrying values of all of its Intangible assets as recognised in the Previous GAAP financial statements as deemed cost at the transaction date i.e. 1st April, 2016.

5.3 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

The Group as a lessee

(a) Finance lease

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

(b) Operating lease

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

The Group as a lessor

(a) Finance lease

When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

The lessor derecognises the leased assets and recognises the difference between the carrying amount of the leased assets and the finance lease receivable in the consolidated statement of Profit and Loss when recognising the finance lease receivable. This gain or loss is presented in the consolidated statement of Profit and Loss in the same line item as that in which the lessor presents gains or losses from sale of similar assets.

(b) Operating lease

Rental income from operating leases is recognised in the consolidated statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets is diminished.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

Initial indirect costs incurred in negotiating and arranging as operating lease are added to carrying value of the leased asset and recognised on a straight line basis over the lease term.

5.4 Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the First in first out basis.

5.5 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

5.6 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

5.7 Impairment of assets

An asset is considered as impaired when at the date of Balance Sheet, there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the consolidated statement of profit and loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

5.8 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets -Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

(ii) Financial assets - Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-

(a) Financial assets at fair value

(b) Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the consolidated statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

(a) Business model test: The objective of the Group's business model is to hold the financial asset to collect the contractual cash flow.

(b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
(b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - Derecognition
A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed form the Group's statement of financial position) when:

(a) The rights to receive cash flows from the asset have expired, or
(b) The Group has transferred its rights to receive cash flow from the asset.

(iii) Financial liabilities - Initial recognition and measurement:
The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Effective interest method
The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts future case receipts or payments through the expected life of financial instruments, or where appropriate, a shorter period.

Financial liabilities - Subsequent measurement
Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are approximate at their fair value due to the short maturity of these instruments.

Financial Liabilities - Financial guarantee contracts
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortization.

Financial Liabilities - Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Compound Instruments
An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

5.9 Provisions, Contingent Liabilities, Contingent Assets and Commitments:
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the consolidated statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Consolidated Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

5.10 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

5.11 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, taxes and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and specific criteria have been met for each of the Group activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Group collects taxes such as good and service tax /value added tax, service tax, etc. on behalf of the Government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from the aforesaid revenue/ income.

(a) Free Trade Warehousing Zone (FTWZ)

(i) Income from allotment of warehousing spaces and open yard area for use are recognised for the period the material is lying in area as per agreed terms.

(ii) Revenue from valued services and other activities is recognised when related services are performed as per the contractual terms.

(iii) Export benefits under Foreign Trade Policy are recognised when utilized.

(b) Inland Container Depot (ICD)

(i) Income from Container handling, storage and Rail and Road transportation are recognised on proportionate completion of the movement and delivery of goods to the party/designated place.

(ii) Income from ground rent is recognised for the period the container is lying in the ICD area.

(c) Rail Transport Operations

(i) Revenue from sale of services e.g. rail freight income is recognized as per the terms of contracts with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

(ii) Measurement of revenue: Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(iii) Revenue from handling and other ancillary services is recognised at the time of rendering of service which is at the time of loading/unloading of container/cargo.

(d) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(e) Dividend income is recognised when the right to receive the payment is established, which is generally when shareholders approve the payment of dividend.

5.12 Foreign currency reinstatement and translation:

Transactions in foreign currencies are initially recorded by the Group at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates as on balance sheet date and the resulting exchange difference recognised in the consolidated statement of profit and loss. Differences arising on settlement of monetary items are also recognised in the consolidated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other finance gains / losses are presented in the consolidated statement of profit and loss on a net basis.

5.13 Employee benefits

Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered.

(a) Defined Contribution Plan

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

(b) Defined Benefit Plan

Leave encashment being a defined benefit plan is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise. Other costs are accounted in the consolidated statement of profit and loss.

The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in the consolidated statement of profit and loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to the consolidated statement of profit and loss in subsequent periods.

5.14 Taxes on Income

Income tax expense represents the sum of current tax (including MAT and income tax for earlier years) and deferred tax . Tax is recognised in the consolidated statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible

Notes to the Consolidated financial statements for the year ended 31st March, 2018

temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the consolidated statement of profit and loss and shown as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

5.15 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

5.16 Earnings per Share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

5.17 Current and non-current classification

"The Group presents assets and liabilities in statement of financial position based on current/non-current classification. The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA."

An asset is classified as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
(b) Held primarily for the purpose of trading,
(c) Expected to be realised within twelve months after the reporting period, or
(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

(a) Expected to be settled in normal operating cycle,
(b) Held primarily for the purpose of trading,
(c) Due to be settled within twelve months after the reporting period, or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has identified twelve months as its normal operating cycle.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

5.18 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy.

5.19 Off-setting financial Instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or counterparty.

5.20 Segment Reporting - Identification of Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

5.21 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

5.22 Contributed Equity

Equity Shares are classified as equity, incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax from the proceeds.

5.23 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

5.24 Business combinations

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.

(iii) Adjustments are only made to harmonise accounting policies.

(iv) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

(v) The balance of the Retained Earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.

(vi) The identities of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

(vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to Capital Reserve and is presented separately from Other Capital Reserves.

6 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based on its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

6.1 Property, plant and equipment and Intangible Assets

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

6.2 Income Tax

The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

6.3 Contingencies

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

6.4 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

6.5 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

6.6 Defined benefits plans

The Cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

6.7 Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

6.8 Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

6.9 Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7. Property, Plant and Equipment

(Rs. in Lakh)

Particulars	Freehold Land	Buildings	Railway Terminal	Plant and Equipments	Furniture and Fixtures	Vehicles	Equipments	Computers	Leasehold Improvements	Total
Gross Carrying Value (at deemed cost)										
As at 1st April, 2016	1,51,398.92	1,13,376.41	14,283.94	38,815.46	1,850.23	97.07	2,355.08	240.13	33.37	3,22,450.61
Additions	3,266.52	-	-	131.18	1.83	-	35.73	0.79	-	3,436.05
Disposals	-	-	-	(351.35)	-	-	-	-	-	(351.35)
Other Adjustments	-	-	-	-	-	-	-	(0.06)	-	(0.06)
As at 31st March, 2017	**1,54,665.44**	**1,13,376.41**	**14,283.94**	**38,595.29**	**1,852.06**	**97.07**	**2,390.81**	**240.86**	**33.37**	**3,25,535.25**
Additions	4,460.81	-	49.60	40.92	-	-	37.74	-	-	4,589.07
Disposals	(9,337.96)	(17,202.94)	-	(1,588.05)	(871.94)	-	(705.64)	(9.17)	-	(29,715.70)
Other Adjustments	-	-	-	(8.32)	-	8.32	-	-	-	-
As at 31st March, 2018	**1,49,788.29**	**96,173.47**	**14,333.54**	**37,039.84**	**980.12**	**105.39**	**1,722.91**	**231.69**	**33.37**	**3,00,408.62**
Accumulated Depreciation										
Depreciation for the year	-	3,751.87	1,154.50	3,815.87	304.46	25.54	936.75	85.55	18.23	10,092.77
Disposals	-	-	-	(6.78)	-	-	-	-	-	(6.78)
As at 31st March, 2017	**-**	**3,751.87**	**1,154.50**	**3,809.09**	**304.46**	**25.54**	**936.75**	**85.55**	**18.23**	**10,085.99**
Depreciation for the year	-	3,696.23	1,157.25	3,791.05	276.55	20.84	432.25	70.80	4.90	9,449.87
Disposals	-	(539.43)	-	(298.41)	(266.57)	-	(394.72)	(5.30)	-	(1,504.43)

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	Freehold Land	Buildings	Railway Terminal	Plant and Equipments	Furniture and Fixtures	Vehicles	Equipments	Computers	Leasehold Improvements	Total
As at 31st March, 2018	-	6,908.67	2,311.75	7,301.73	314.44	46.38	974.28	151.05	23.13	18,031.43
Net Carrying value as at 31st March, 2018	1,49,788.29	89,264.80	12,021.79	29,738.11	665.68	59.01	748.63	80.64	10.24	2,82,377.19
Net Carrying value as at 31st March, 2017	1,54,665.44	1,09,624.54	13,129.44	34,786.20	1,547.60	71.53	1,454.06	155.31	15.14	3,15,449.26
Net Carrying value as at 1st April, 2016	1,51,398.92	1,13,376.41	14,283.94	38,815.46	1,850.23	97.07	2,355.08	240.13	33.37	3,22,450.61

Notes:

1) Freehold Land includes Rs. 9,735.11 Lakh situated at Nagpur, which is under possession of a lender as per the Order of Hon'ble High Court of Bombay dated 9th May, 2013.

2) In accordance with the Indian Accounting Standard (IND AS -36) on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2018.

3) The carrying value (Gross Block less accumulated depreciation and amortisation) as on 1st April, 2016 of the Property, plant and equipment is considered as a deemed cost on the date of transition.

8. Intangible Assets

(Rs. in Lakh)

Particulars	Trade Mark	Computer Software	Rail License Fees	Total
Gross Carrying Value (at deemed cost)				
As at 1st April, 2016	**0.49**	**1,036.88**	**3,208.33**	**4,245.70**
Additions	-	-	-	-
Deductions	-	-	-	-
Other Adjustments	-	0.06	-	0.06
As at 31st March, 2017	**0.49**	**1,036.94**	**3,208.33**	**4,245.76**
Additions	-	2,239.00	-	2,239.00
Deductions	-	(235.50)	-	(235.50)
As at 31st March, 2018	**0.49**	**3,040.44**	**3,208.33**	**6,249.26**
Accumulated Amortisation				
Amortisation for the year	0.20	448.31	250.00	698.51
Deductions	-	-	-	-
As at 31st March, 2017	**0.20**	**448.31**	**250.00**	**698.51**
Amortisation for the year	0.17	471.88	249.84	721.89
Deductions	-	(207.89)	-	(207.89)
As at 31st March, 2018	**0.37**	**712.30**	**499.84**	**1,212.51**
Net Carrying value as at 31st March, 2018	**0.12**	**2,328.14**	**2,708.49**	**5,036.75**
Net Carrying value as at 31st March, 2017	**0.29**	**588.63**	**2,958.33**	**3,547.25**
Net Carrying value as at 1st April, 2016	**0.49**	**1,036.88**	**3,208.33**	**4,245.70**

Note:

1) The carrying value (Gross Block less accumulated amortisation) as on 1st April, 2016 of the Intangible assets is considered as a deemed cost on the date of transition.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non- Current Financial Assets			
9. Other Financial Assets			
Bank Deposits with more than 12 months maturity	-	-	41.73
Security Deposits	1,732.58	-	-
Total	**1,732.58**	**-**	**41.73**
Non-Current Assets			
10. Other Non- Current Assets			
Capital Advances			
Considered Good	965.29	916.06	5,372.50
Considered Doubtful	1,395.00	1,395.00	-
	2,360.29	**2,311.06**	**5,372.50**
Less : Provision for doubtful advance	(1,395.00)	(1,395.00)	-
	965.29	**916.06**	**5,372.50**
Security Deposits	60.89	63.98	58.79
Prepaid expenses	1,190.39	-	-
TDS Receivables/Taxes paid	2,601.82	2,113.24	2,406.09
Service tax paid under protest	3.87	3.87	-
Total	**4,822.26**	**3,097.15**	**7,837.38**
Current Assets			
11. Inventories			
(Valued at lower of Cost and Net Realisable value)			
Stores and Spares	15.66	15.73	160.41
Total	**15.66**	**15.73**	**160.41**
Current Financial Assets			
12. Trade Receivables			
Unsecured			
Considered good	2,813.92	2,604.88	2,328.49
Considered doubtful	-	29.95	47.35
	2,813.92	**2,634.83**	**2,375.84**
Provision for Doubtful debts	-	(29.95)	(47.35)
Expected credit losses	(71.25)	(235.43)	(183.89)
Total	**2,742.67**	**2,369.45**	**2,144.60**
13. Cash and Cash Equivalents			
Balances with banks:			
- in current accounts #	1,278.68	312.32	603.29
- Deposits with original maturity of less than three months	-	-	173.00
Cash on hand	7.16	20.61	2.62
Total	**1,285.84**	**332.93**	**778.91**

Cash and cash equivalents as at 31st March, 2018 comprises of restricted bank balances held in escrow account with bank amounting to Rs.748.91 Lakh. This account can only be operated with the specific permission / instruction in terms of the Escrow Agreement entered into by the Parent Company, ALL and LBETL with Arshiya Rail Siding and Infrastructure Limited (ARSIL).

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
14. Other Bank Balances			
Deposits with banks to the extent held as margin money	457.68	519.25	395.18
Interest Accrued on fixed deposit	40.82	-	-
Unpaid dividends	0.04	0.04	0.04
Total	**498.54**	**519.29**	**395.22**
15. Other Financial Assets			
Security Deposits	9,418.61	117.10	102.75
Margin money with Lender*	170.00	-	-
Other recoverables	2,825.28	-	676.44
Total	**12,413.89**	**117.10**	**779.19**
* To be adjusted at time of final settlement			
16. Other Current Assets			
Advances to Suppliers	290.22	496.50	91.43
Advances to Employees	16.58	20.07	12.09
Other Advances	30.05	0.01	8.17
Prepaid expenses	315.10	561.63	799.95
Indirect tax refund receivables (Refer Note No. 56)	3,537.72	3,361.59	3,330.59
Cash seized by Income Tax (Refer Note No 51)	100.00	61.67	61.67
Excess Remuneration recoverable from Director (Refer Note No.52)	-	42.90	-
Total	**4,289.67**	**4,544.37**	**4,303.90**
17. Share Capital			
Authorised			
(i) 24,75,00,000 (31st March, 2017 - 21,00,00,000, 1st April, 2016 - 21,00,00,000) Equity Shares of Rs. 2 each	4,950.00	4,200.00	4,200.00
(ii) 1,10,00,000 (31st March, 2017 - Nil, 1st April, 2016 - Nil) Preference Shares of Rs. 10 each	1,100.00	-	-
Total	**6,050.00**	**4,200.00**	**4,200.00**
Equity Share Capital - issued, subscribed and fully paid			
22,82,16,776 (31st March, 2017 - 15,61,79,472, 1st April, 2016 - 15,61,79,472) Equity shares of Rs. 2 each	4,564.34	3,123.59	3,123.59
Total	**4,564.34**	**3,123.59**	**3,123.59**

(a) Terms and rights

(i) Terms and rights attached to equity shares

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

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

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(ii) Terms and rights attached to 0% Optionally Convertible Redeemable Preference Shares (OCRPS)

The Parent Company has five class of optionally convertible redeemable preference shares (OCRPS I / II / III / IV / V) having a par value of Rs. 10 per share. Each holder of OCRPS has right / entitled to convert into equity shares within 18 months from the date of issue or redemption on or after 20 years in terms of special resolution passed on 29th April, 2017 and 29th January, 2018 as per applicable provisions of Companies Act, 1956/Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulation.

(b) Reconciliation of equity shares and optionally convertible preference shares

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

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of Shares	Rs. in Lakh	Number of Shares	Rs. in Lakh	Number of Shares	Rs. in Lakh
Balance as at the beginning of the year	15,61,79,472	3,123.59	15,61,79,472	3,123.59		
Issued during the year	7,20,37,304	1,440.75	-	-		
Balance as at the end of the year	**22,82,16,776**	**4,564.34**	**15,61,79,472**	**3,123.59**	**15,61,79,472**	**3,123.59**

(ii) Reconciliation of optionally convertible redeemable preference shares outstanding as at the beginning and end of the year

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of Shares	Rs. in Lakh	Number of Shares	Rs. in Lakh	Number of Shares	Rs. in Lakh
Balance as at the beginning of the year	-	-	-	-	-	-
Issued during the year	1,19,13,329	1,191.33	-	-	-	-
Less: Converted into equity shares during the year	(61,48,710)	(614.87)	-	-	-	-
Balance as at the end of the year	**57,64,619**	**576.46**	**-**	**-**	**-**	**-**

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

Name of the shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of equity shares	Percentage (%) shareholding	Number of equity shares	Percentage (%) shareholding	Number of equity shares	Percentage (%) shareholding
Archana A Mittal	8,85,59,288	38.80%	9,85,59,288	63.11%	9,85,59,288	63.11%
Ajay S Mittal	3,70,60,937	16.24%	1,85,60,937	11.88%	1,85,60,937	11.88%
Edelweiss Asset Reconstruction Company Limited (through various trusts)	4,56,62,304	20.01%	-	-	-	-

(d) During the year the Parent Company had allotted to the Promoter Directors 1,00,00,000 equity shares and 1,00,00,000 share warrants of Rs. 2 each at a premium of Rs.58.35 per share on preferential basis pursuant to the Restructuring Agreement dated 31st March, 2017 and in terms of special resolution passed on 29th April, 2017 as per applicable provisions of Companies Act, 1956/Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulation. 85,00,000 share warrants out of 1,00,00,000 share warrants have been converted into Equity shares on 8th November, 2017.

Subsequent to the year end, in the Board Meeting held on 20th April, 2018 the Parent Company has allotted 15,00,000 Equity Shares of face value of Rs.2 each to the Promoter upon conversion of equal number of warrants.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
18. Other Equity			
Share Application money pending allotment			
Balances as at the beginning of the year	18,766.71	-	
Add: Debt convertible into equity		18,766.71	
Less: On issue of Equity Shares	(18,766.71)	-	
Balances as at the end of the year	**-**	**18,766.71**	**-**
Money Received against share warrants	860.25	-	-
Equity Component of 0% Optionally Convertible Redeemable Preference shares (OCRPS)			
Balances as at the beginning of the year	88,620.84	-	
Add: Fair valuation of OCRPS	-	88,620.84	
Less: On issue of Equity Shares	(40,549.88)	-	
Balances as at the end of the year	**48,070.96**	**88,620.84**	**-**
Capital Reserve			
Balances as at the beginning and end of the year	1.58	1.58	
Amalgamation Reserve			
Balances as at the beginning and end of the year	124.80	124.80	124.80
Reserve and Surplus			
Securities Premium Account			
Balances as at the beginning of the year	79,517.43	79,844.68	
Add: On issue of Equity Shares	95,278.86	-	
Less: Share issue expenses/ Transaction cost	(37.62)	(327.25)	
Balances as at the end of the year	**1,74,758.67**	**79,517.43**	**79,844.68**
General Reserve			
Balances as at the beginning and end of the year	940.18	940.18	940.18
Deficit in the Statement of Profit and Loss			
Balances as at the beginning of the year	(1,58,994.35)	(1,22,288.98)	
Add/Less: Profit/(Loss) for the year	5,047.44	(38,264.53)	
Add: Other comprehensive income	(9.67)	(15.14)	
Add: Fair valuation of restructured loans	-	1,613.86	
Less: Others (adjustments)	(1,134.37)	-	
Less: Prior period adjustments	-	(39.56)	
Balances as at the end of the year	**(1,55,090.95)**	**(1,58,994.35)**	**(1,22,288.98)**
Foreign Currency Translation Reserve			
Balances as at the beginning of the year	-	305.78	
Less: Adjustment upon disposal of subsidiaries		(305.78)	
Balances as at the end of the year	-	-	305.78
Total	**69,665.49**	**28,977.19**	**(41,073.54)**

Nature and purpose of Reserve and Surplus:

(a) Securities Premium Account:
Securities premium account is created to record premium received on issue of equity shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013.

(b) General Reserve:
General Reserve is used for time to time to transfer of profits from Retained Earnings for appropriation purposes. As the general

Notes to the Consolidated financial statements for the year ended 31st March, 2018

reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

(c) Amalgamation Reserve:
Amalgamation reserve is created on account of scheme of amalgamation of erstwhile BDP (India) Private Limited with the Parent Company approved by the Hon'ble High Court of Judicature at Bombay in earlier years.

(d) Retained Earning:
Retained Earnings are the profit/(loss) of the Group earned till date net of appropriations.

(e) Foreign Currency Translation Reserve:
Exchange difference arising on translation of the long term monetary assets is accumulated in separate reserve within equity.

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-Current Liabilities			
19. Borrowings			
Secured			
(a) Term Loans			
From Banks (Refer Note No. 19.1)	-	2,013.79	9,029.52
From Other Parties (Refer Note No. 19.2)	1,29,036.41	1,26,751.87	46,311.32
(b)Vehicle Loan from bank	-	-	2.38
Liability Component of Compound Financial Instruments (OCRPS)	11,023.52	17,511.54	-
Unsecured			
(a) Other Parties	-	-	1.14
Total	**1,40,059.93**	**1,46,277.20**	**55,344.36**

The details of security, terms of repayment and interest on non-current borrowings (which includes current maturities) obtained by the Group are given below:

(19.1) Rupee Term loan from Banks:

19.1.1 Parent Company

(1) Rupee Term loan from Banks of Rs. Nil (31st March, 2017 - Rs. 2,771.93 Lakh, 1st April, 2016 - Rs. 55,575.17 Lakh):

(a) Details of security

(i) First charge on all the present and future movable and immovable property, plant and equipment including intangible assets, assignment of rights and benefits of the Parent Company but excluding project assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project on pari passu basis.
(ii) Second charge on Current Assets of the Parent Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project on pari passu basis.
(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(iv) The loans are secured by pledged of shares held by the two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

(i) Rate of Interest is @ 13% p.a. for the 2016-17.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

19.1.2 ARIL

(1) Rupee Term loan from Banks of Rs. 8,931.30 Lakh (31st March, 2017 - Rs. 8,932.42 Lakh, 1st April, 2016 - Rs. 15,189.64 Lakh):

(a) Securities provided

(i) First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of ARIL both present and future on pari passu basis.
(ii) Second charge by way of hypothecation of the entire current assets of ARIL on pari passu basis.
(iii) Pledge of 100% equity shares of the ARIL held by the Parent Company.
(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

(i) Rate of Interest is @ 16.25% p.a.

(c) Terms of Repayment:-

(Rs. in Lakh)

Year	Loan from Banks
FY 2012-2013	150.00
FY 2013-2014	500.00
FY 2014-2015	900.00
FY 2015-2016	4,244.94
FY 2016-2017	650.00
FY 2017-2018	2,486.36
Total	**8,931.30**

(d) Details of default in repayment of principal on secured loans as on 31st March, 2018 are as follows:

(Rs. in Lakh)

Year	Loan from Banks
FY 2012-2013	150.00
FY 2013-2014	500.00
FY 2014-2015	900.00
FY 2015-2016	4,244.94
FY 2016-2017	650.00
FY 2017-2018	2,486.36
Total	**8,931.30**

The above loan has been recalled by Banks.

(19.2) Rupee Term loans from Other Parties

19.2.1 Parent Company

(1) Rupee term loan of Rs. 59,359.23 Lakh (31st March, 2017 - Rs. 70,863.53 Lakh, 1st April, 2016 - Rs. 46,782.87 Lakh):

(a) Security provided:

(i) First charge in all the present and future movable and immovable property, plant and equipment including intangible assets, assignment of rights and benefits of the Parent Company but excluding project assets for khurja FTWZ project, Khurja Distiripark Project, Nagpur project and Rail project on pari passu basis.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(ii) Second charge on current assets of the Parent Company but excluding current assets for khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.
(iii) first pari passu charge by way of hypothecation on the Panvel Receivables both existing and future of whatsoever nature.
(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(v) The loans are secured by pledged of shares held by the two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

(i) Rate of Interest is @ 10% p.a. (2016-17 - 10% p.a.)

(c) Terms of Repayment:-

(Rs. in Lakh)

Year	**Loan from Others**
FY 2017-18	5,671.09
FY 2021-22	14,001.46
FY 2022-23	40,404.50
Total	**60,077.05**

(d) The Parent Company has been in default for the repayment of principal amount of Rs. 5,671.09 Lakh. (31st March, 2017 - Rs. Nil and 1st April, 2016 - Rs. Nil).

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 717.82 Lakh (31st March, 2017 - Rs. 871.85 Lakh, 1st April, 2016 - Rs. Nil).

(2) Rupee term loan of Rs. 2,672.34 Lakh (31st March, 2017 - Rs. 2,443.49 Lakh, 1st April, 2016 - Rs. 4,935 Lakh)

(a) Securities provided

(i) Second charge by way of equitable mortgage/hypothecation on the entire immovable and movable property, plant and equipment of the Parent Company on pari-passu basis.
(ii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Repayment:-

Rupee term loan is repayable in 13 structured quarterly installments commencing from 31st January, 2018.

(c) The Parent Company has been in default for the repayment of principal amount of Rs. 428 Lakh. (31st March, 2017 - Rs. Nil and 1st April, 2016 - Rs. Nil)

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 405.66 Lakh (31st March, 2017 - Rs. 631.51 Lakh, 1st April, 2016 - Rs. Nil).

(3) Rupee loan of Rs. 3,189.79 Lakh (31st March, 2017 - Rs. Nil, 1st April, 2016 - Rs. Nil)

(a) Securities provided

(i) Second charge on movable and immovable Panvel assets of the Parent Company except for the excluded properties under Lease Agreement dated 3rd February, 2018
(ii) Second charge on present and future receivables of the Parent Company.
(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

(i) Rate of Interest is @ 14.50% p.a.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(c) Terms of Repayment:-
Rupee term loan is repayable in Bullet payment at the end of the tenure of loan i.e. 36 months.

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 10.21 Lakh (31st March, 2017 - Rs. Nil, 1st April, 2016 - Rs. Nil).

19.2.2 ARIL

(1) Rupee term loan of Rs. 33,502.36 Lakh (31st March, 2017 - Rs. 33,371.25 Lakh, 1st April, 2016 - Rs. 20,130.96 Lakh):

(a) Securities provided

(i) First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of ARIL both present and future on pari passu basis.
(ii) Second charge by way of hypothecation of the entire current assets of ARIL on pari passu basis.
(iii) Pledge of 100% equity shares of ARIL held by the Parent Company.
(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

(i) Rate of Interest is @ 10% p.a.

(c) Terms of Repayment:- (Rs. in Lakh)

Year	Loan from Banks
FY 2019-2020	1,744.64
FY 2020-2021	6,139.19
FY 2021-2022	2,276.51
FY 2022-2023	23,954.16
Total	**34,114.50**

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 612.14 Lakh (31st March, 2017 - Rs. 747.13 Lakh, 1st April, 2016 - Rs. Nil).

19.2.3 ANFL

(1) Rupee term loan from Other Parties of Rs. 10,447.22 Lakh (31st March, 2017 - Rs. 10,279.51 Lakh, 1st April, 2016 - Rs. 9,602.86 Lakh):

(a) Security provided:

(i) First charge on fixed assets of ANFL both present and future on pari passu basis.
(ii) First Pari Passu charge/assignment/security interest on the ANFL's rights under the project documents, contracts (including guarantees) and all licenses, permits, approvals, consents and insurance policies.
(iii) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance under any project agreement or contract in favour of ANFL.
(iv) Second charge on current assets of ANFL.
(v) Pledge of 40,52,778 equity shares of ANFL held by the Parent Company.
(vi) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(vii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

(i) Rate of Interest is @ 10% p.a.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(c) Terms of Repayment:- (Rs. in Lakh)

Year	Loan from Banks
FY 2019-2020	2,113.15
FY 2020-2021	323.92
FY 2021-2022	3,385.55
FY 2022-2023	5,323.63
Total	**11,146.25**

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 699.03 Lakh (31st March, 2017 - Rs. 866.73 Lakh, 1st April, 2016 - Rs. Nil).

19.2.4 AIDHL

(1) Rupee term loan from Other Parties of Rs. 26,589.56 Lakh (31st March, 2017 - Rs. 15,944.39 Lakh, 1st April, 2016 - Rs. 1,935.99 Lakh):

(a) Security provided:

(i) First charge on all movable and immovable properties of AIDHL both present and future on pari passu basis.
(ii) First charge by way of hypothecation of the entire current assets of AIDHL on pari passu basis.
(iii) Pledge of 100% equity shares of AIDHL held by the Parent Company.
(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

(i) Rate of Interest is @ 10% p.a.

(c) Terms of Repayment:- (Rs. in Lakh)

Year	Loan from Banks
FY 2019-2020	1,885.69
FY 2020-2021	4,034.74
FY 2021-2022	2,209.30
FY 2022-2023	18,470.27
Total	**26,600.00**

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 10.44 Lakh (31st March, 2017 - Rs. 55.61 Lakh, 1st April, 2016 - Rs. Nil).

19.2.5 ASCM (up to 21st March, 2018)

(1) Rupee term loan from Other Parties of Rs. Nil (31st March, 2017 - Rs. 15,679.18 Lakh, 1st April, 2016 - Rs. 18,104.31 Lakh):

(a) Security provided:

(i) Pledge of 49% equity shares of ANFL held by the Parent Company.
(ii) Exclusive charge in favour of NBFC on present and future receivables of ASCM from Panvel Free Trade Warehousing Zone.
(iii) Escrow mechanism on the cash flows and receivables of Company from Panvel Free Trade Warehousing Zone up to 21st March, 2018.
(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(v) The above loans are secured by corporate guarantees of the Parent Company and ANFL.

(b) Terms of Interest rate:

(i) Rate of Interest is @ 14.25% p.a.

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
20. Other Financial Liabilities			
Financial Liabilities at amortised cost			
Security deposit from unit holders	-	338.00	-
Settlement on account of derivative contracts (Refer Note No. 50.1)	-	2,463.86	3,336.43
Other financial liabilities	1,718.36	-	-
Financial guarantees obligations	224.03	-	-
Total	**1,942.39**	**2,801.86**	**3,336.43**
21. Provisions			
Provision for employee benefits (Refer Note No.40)			
Gratuity	123.76	47.85	29.42
Leave encashment	80.06	75.64	68.59
Total	**203.82**	**123.49**	**98.01**
22. Other Non-Current Liabilities			
Advance rent	-	582.70	630.11
Government grants (Refer Note No.72(C)2)	1,723.69	2,363.30	2,728.79
Total	**1,723.69**	**2,946.00**	**3,358.90**
Current Financial Liabilities			
23. Borrowings			
Secured			
(a) Working Capital facility (Cash Credit from banks) (Refer Note No. 23.1)	263.34	4,260.25	6,303.97
(b) Loan from Other Parties (Refer Note No. 23.2)	11,474.05	1,677.18	10,664.11
Unsecured			
(a) Loans from Promoter Directors (Refer Note No. 23.3)	1,937.76	68.18	327.95
(b) Inter Corporate Deposits (Refer Note No. 23.4)	78.00	989.00	687.00
(d) Other Parties	-	-	52.79
Total	**13,753.15**	**6,994.61**	**18,035.82**

Notes to the Consolidated financial statements for the year ended 31st March, 2018

23.1 Working capital facility (Cash Credit) from banks:

23.1.1 Parent Company

(1) Rs. Nil (31st March, 2017 - Rs. 3,996.91 Lakh, 1st April, 2016 - Rs. 5,996.91 Lakh)

(a) Securities provided :

(i) First charge on entire Current Assets of the Parent Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project.

(ii) Second charge on all the present and future movable and immovable property, plant and equipment, assignment of rights and benefits of the Parent Company but excluding project assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(iv) The loans are secured by pledged of shares held by the two Promoter Directors of the Parent Company.

(b) Terms of interest:

Rate of interest on working capital is @ 13% p.a.(31st March, 2017 - 13% p.a.)

23.1.2 ANFL

(1) Rs. 263.34 Lakh (31st March, 2017 - Rs. 263.34 Lakh, 1st April, 2016 - Rs. 307.05 Lakh)

(a) Securities provided :

(i) First charge on entire current assets of ANFL both present and future on pari passu basis.

(ii) Second pari passu charge on the assets charged for term loan of ANFL on first pari passu charge to lenders.

(iii) Pledge of 40,52,778 equity shares of ANFL held by the Parent Company.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of interest:

Rate of interest on working capital is @ 14% p.a.

(c) ANFL has been in continuing default for the repayment of principal amount of Rs. 263.34 Lakh since FY 2014-15.

(23.2) Loan from Other Parties:

23.2.1 Parent Company

(1) Loan of Rs. 8,474.04 Lakh (31st March, 2017 - Rs. Nil, 1st April, 2016 - Rs. Nil)

(a) Securities provided

- First Ranking charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of the Parent Company as per the Deed of Hypothecation.
- The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of interest: @ 18% p.a.

(2) Loan of Rs. Nil (31st March, 2017 -Rs. Nil, 1st April, 2016 - Rs. 4,935 Lakh) had been restructured into term loan as per consent term. (Refer Note No.19.2 (2.2))

23.2.2 ARIL

(1) Loan of Rs. Nil (31st March, 2017 - Rs. 627.18 Lakh, 1st April, 2016 - Rs. 75 Lakh)

(a) Securities provided

(i) Exclusive charge by way of mortgage of immovable property, i.e., land admeasuring 5.62 acres situated at Khurja held by ARIL, fellow subsidiary and the Parent Company.

(ii) Exclusive hypothecation on power packs acquired by ARIL.

(iii) Pledge of 100% unencumbered equity shares of ARIL and AIDHL held by the Parent Company.

(iii) Pledge of 100% unencumbered equity shares of the Parent Company held by the Promoter Directors of the Parent Company.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(v) The above loans are secured by corporate guarantees of the Parent Company and AIDHL.
(vi) Priority charge & Escrow on entire cash flows of ARIL arising out of scheduled movement of all trains between Khurja ICD and the ports.

(b) Terms of interest:
Rate of interest on said loan is @ 24% p.a.

(c) Terms of Repayment:
The repayment to be made in 12 equated monthly installments starting from 30th April, 2016.

(2) Loan of Rs. Nil (31st March, 2017 - Rs. Nil, 1st April, 2016 - Rs. 5,654.11 Lakh)
(a) Securities provided
(i) First charge by way of hypothecation of the entire current assets including receivables of ARIL.
(ii) Second mortgage and charge on all present and future movable assets (including rakes, containers, equipment's) and immovable assets of ARIL, including intangibles assets.
(iii) Pledge of 100% equity shares of ARIL held by the Parent Company and Arshiya Hong Kong Limited.
(iv) Irrevocable and unconditional personal guarantees of two Promoter Directors and a Relative of Director of the Parent Company.
(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of interest:
Rate of interest on said loan is @ 14% p.a.

(c) The said loan has been restructured in previous year into Term Loan as per restructuring agreement dated 31st March, 2017.

23.2.3 AIDHL

(1) Loan of Rs. 3,000 Lakh (31st March, 2017 - Rs. Nil, 1st April, 2016 - Rs. Nil)
(a) Securities provided
(i) First Ranking charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of AIDHL as per the Deed of Hypothecation.
(ii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(iii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of interest:
Rate of interest on said loan is @ 18% p.a.

23.2.4 ASCM (up to 21st March, 2018)

(1) Loan of Rs. Nil (31st March, 2017 - Rs. 1,050.00 Lakh, 1st April, 2016 - Rs. Nil)
(a) Securities provided
(i) Exclusive charge in favour of NBFC on present and future receivables of ASCM from Panvel FTWZ.
(ii) Escrow mechanism on the cash flows and receivables of the ASCM from Panvel FTWZ up to March 21, 2018.
(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of interest:
Rate of interest on said loan is @ 16% p.a.

(23.3) Unsecured Loan from Promoter Directors:

(23.3.1) Parent Company

(1) Loans from promoter directors of the Parent Company are interest free and repayable on demand.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(23.4) Unsecured Loan from Inter Corporate Deposits:

23.4.1 Parent Company

(1) Intercorporate Deposit of Rs. 77 Lakh (31st March, 2017 - Rs. 77 Lakh, 1st April, 2016 - Rs. 187 Lakh) is interest free and repayable on demand.

(2) Intercorporate Deposit of Rs. Nil (31st March, 2017 - Rs. 800 Lakh, 1st April, 2016 - Rs. Nil) : interest @ 20% p.a.

(3) Loan of Rs. Nil (31st March, 2017 - Rs. Nil, 1st April, 2016 - Rs. 500 Lakh)

(a) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(b) Rate of interest on said loan is 12% p.a.

23.4.2 ALL

(1) Intercorporate Deposit of Rs. 1 Lakh (31st March, 2017 - Rs. 2 Lakh, 1st April, 2016 - Rs. Nil) is interest free and repayable on demand.

23.4.3 ASCM (up to 21st March, 2018)

(1) Intercorporate Deposit of Rs. Nil (31st March, 2017 - Rs. 110 Lakh, 1st April, 2016 - Rs. Nil) is interest free and repayable on demand.

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
24. Trade Payables			
Micro, Small and Medium Enterprises (Refer Note No.39)	18.11	42.39	40.57
Others	1,908.88	1,690.18	1,503.90
	1,926.99	**1,732.57**	**1,544.47**
25. Other Financial Liabilities			
Financial Liabilities at amortised cost			
Current maturities of long term debts from banks	22,527.15	41,049.86	1,16,002.27
Current maturities of long term debts from other parties	13,875.60	31,590.19	59,933.22
Current maturities of vehicle loan	-	2.38	3.74
Interest accrued and due on borrowings	25,348.69	42,646.83	1,05,371.25
Interest accrued but not due on borrowings	4,569.33	1.05	-
Interest payable on delayed payments to MSMED creditors (Refer Note No.39)	0.22	0.75	-
Unclaimed dividends	0.04	0.04	0.04
Deposit from Unitholders	1,296.53	573.54	713.33
Payable for capital goods (Refer Note No. 61)	8,422.54	8,557.71	8,378.29
Dues to employees (including full and final settlement)	474.12	1,051.71	869.39
Payable for expenses	1,145.00	4,471.62	1,723.82
Other Payables	30.76	-	-
Mark to Market on derivative contracts (Refer Note No. 50.2)	-	1,621.94	1,848.48
Total	**77,689.98**	**1,31,567.62**	**2,94,843.83**

Notes to the Consolidated financial statements for the year ended 31st March, 2018

25.1 Rupee Term Loan from Banks:

25.1.1 Parent Company

(1) Rupee Term loan - Rs. 1,491.67 Lakh (31st March, 2017 - Rs. Nil, 1st April, 2016 - Rs. Nil) - Refer Note No. 50.1

(a) Securities provided:

- Second charge on movable and immovable property, plant and equipments of the Parent Company, present and future on pari-passu

(b) The above loan is secured by personal guarantees of two Promoter Directors of the Parent Company.

(c) Terms of Interest rate:
Rate of interest is @ 12% p.a.

(d) Terms of Repayment & Default
During the year bank has been recalled loan of Rs. 1,491.67 Lakh and interest (including penal interest) of Rs. 32.15 Lakh.

25.1.2 ANFL

(1) Rupee Term loans - Rs. 12,104.18 Lakh (31st March, 2017 - Rs. 12,105.78 Lakh, 1st April, 2016 - Rs. 15,530.17 Lakh)

(a) Securities provided:

(i) First charge on fixed assets of ANFL both present and future on pari passu basis.
(ii) First Pari Passu charge/assignment/security interest on the ANFL's rights under the project documents, contracts (including guarantees) and all licenses, permits, approvals, consents and insurance policies.
(iii) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance under any project agreement or contract in favour of ANFL.
(iv) Second charge on current assets of ANFL.
(v) Pledge of 40,52,778 equity shares of ANFL held by the Parent Company.
(vi) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(vii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:
Rate of interest is @ 13% p.a.

(c) Terms of Repayment:- (Rs. in Lakh)

Year	Loan from Banks
FY 2012-2013	604.23
FY 2013-2014	1,410.23
FY 2014-2015	1,680.76
FY 2015-2016	8,408.96
Total	**12,104.18**

(d) The Banks has been recalled loan of Rs. 12,104.18 Lakh (31st March, 2017 - Rs. 12,105.78 Lakh, 1st April, 2016 - Rs. 15,530.17 Lakh) and interest of Rs. 10,960.10 Lakh (31st March, 2017 - Rs. 8,162.63 Lakh, 1st April, 2016 - Rs. 7,446.51 Lakh).

Details of default in repayment of principal on secured loans as on 31st March, 2018 are as follows:

(Rs. in Lakh)

Year	Loan from Banks
FY 2012-2013	604.23
FY 2013-2014	1,410.23
FY 2014-2015	1,680.76
FY 2015-2016	8,408.96
Total	**12,104.18**

Notes to the Consolidated financial statements for the year ended 31st March, 2018

25.1.3 AIDHL

(1) Rupee Term loans - Rs. Nil (31st March, 2017 - Rs. 19,253.52 Lakh, 1st April, 2016 - Rs. 38,736.81 Lakh)

(a) Securities provided:

(i) First charge on all movable and immovable properties of AIDHL both present and future on pari passu basis.

(ii) First charge by way of hypothecation of the entire current assets of AIDHL on pari passu basis.

(iii) Pledge of 100% equity shares of AIDHL held by the Parent Company.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

Rate of interest is @ 13% p.a.

(c) The Banks has been recalled loan of Rs. Nil (31st March, 2017 - Rs. 19,253.52 Lakh, 1st April, 2016 - Rs. 38,732.22 Lakh) and interest of Rs. Nil (31st March, 2017 - Rs. 12,915.91 Lakh, 1st April, 2016 - Rs. 17,934.50 Lakh).

(25.2) Term loans from Other Parties

25.2.1 Parent Company

(1) Loan of Rs. 5,000 Lakh (31st March, 2017 - Rs. 6,900 Lakh, 1st April, 2016 - Rs. 6,900 Lakh) (Refer Note No. 47)
Secured by first and exclusive charge on land situated at Village Butibori at Nagpur, Maharashtra. The said loan carries interest @ 15.25% p.a.

(2) Loan of Rs. 1,951.52 Lakh (31st March, 2017 - Rs. 2,465.72 Lakh, 1st April, 2016 - Rs. 2,666.67 Lakh) (Refer Note No. 45)

(i) 'Secured by first and exclusive charge on land situated at Khurja, Bulandshahr, Uttar Pradesh.

(ii) The Group has been in default for the repayment of principal amount of Rs. 975 Lakh. (31st March, 2017 - Rs. Nil and 1st April, 2016 - Rs. Nil).

(iii) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 23.48 Lakh (31st March, 2017 - Rs. 200.95 Lakh, 1st April, 2016 - Rs. Nil).

25.2.2 ANFL

(1) Loan of Rupees 200 Lakh (31st March, 2017 - Rs. 395 Lakh, 1st April, 2016 - Rs. NIL):

(a) Securities provided:

(i) The above loan is secured by personal guarantees of two Promoter Directors of the Parent Company.

(ii) Charge on movable property has been registered and on immovable property i.e. land admeasuring 1.88 acres is to be registered.

(b) Terms of Interest rate:

Rate of interest is @ 11% p.a.

(25.3) Details of default in payment of interest on secured loans as on 31st March, 2018 are as follows:

(Rs. in Lakh)

Year	Banks	Others	Total
FY 2013-2014	4,005.69	-	4,005.69
FY 2014-2015	3,512.57	-	3,512.57
FY 2015-2016	4,096.87	-	4,096.87
FY 2016-2017	4,849.90	-	4,849.90
FY 2017-2018	5,831.68	2,434.39	8,266.07
Total	**22,296.71**	**2,434.39**	**24,731.10**

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
26. Other Current Liabilities			
Revenue received in advances	-	92.59	160.08
Advance received from Customers	282.59	13.66	-
Government Grants (Refer Note No. 72(C)2)	639.61	365.49	365.49
Trade advances received	-	66.67	97.41
Other Advances	1.74	-	-
Statutory dues*	1,397.22	3,756.58	2,997.62
Interest on delayed payment of statutory dues	1,360.85	1,125.18	888.54
Excess haulage changes payable	-	6.44	-
Total	**3,682.01**	**5,426.61**	**4,509.14**

* Statutory dues included Tax deducted at sources (TDS), Provident Fund (PF), Profession Tax (PT) and Employee State Insurance Corporation (ESIC) .

Government Grant (Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Opening balance	2,728.79	3,094.28	
Income recognised during the year	(365.49)	(365.49)	
Closing balance	**2,363.30**	**2,728.79**	**3,094.28**
Non-current liabilities	1,723.69	2,363.30	2,728.79
Current liabilities	639.61	365.49	365.49

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
27. Provision			
Provision for employee benefits (Refer Note No. 40)			
Gratuity	6.12	5.26	5.42
Leave encashment	16.31	16.53	11.22
Total	**22.43**	**21.79**	**16.64**

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
28. Revenue from Operations		
Sale of services		
Rail freight income	12,374.23	14,381.09
Storage income	8,422.96	7,053.16
Road freight income	1,906.23	832.57
Material handling and other services	815.18	1,137.40
Terminal income	175.40	23.00
Domestic warehousing income	20.00	-
Other operating income	2,192.69	3,457.92
Total	**25,906.69**	**26,885.14**

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
29. Other Income		
Interest income on		
Bank fixed deposits	54.23	40.53
Loans to others	24.94	-
Others	61.13	102.22
Dividend income	0.60	-
Government grants	365.49	365.49
Financial guarantee income	2.57	-
Foreign exchange difference (net)	105.30	-
Provision for doubtful debts written back	109.61	-
Excess provision written back	463.14	11.49
Sundry balance written back	452.89	57.77
Miscellaneous income	25.29	56.32
Total	**1,665.19**	**633.82**
30. Freight Expenses		
Rail freight expenses	10,215.90	12,568.86
Road freight expenses	1,452.41	1,398.69
Total	**11,668.31**	**13,967.55**
31. Employee Benefits Expense		
Salaries, wages and bonus	3,435.33	3,386.08
Contribution to provident and other funds	93.09	86.45
Staff welfare expenses	106.12	88.37
Total	**3,634.54**	**3,560.90**
32. Finance Cost		
Interest expense on borrowings	28,703.70	28,814.78
Interest expense on statutory dues	707.04	569.35
Unwinded interest expense on security deposits	156.48	-
Interest expense on others	3.52	36.64
Interest expense on MSMED vendors (Refer Note No. 39)	0.25	1.44
Other borrowing costs	84.07	50.52
Total	**29,655.06**	**29,472.73**
33. Depreciation and Amortisation Expense		
Depreciation on property, plant and equipment	9,449.87	10,092.77
Amortisation on intangible assets	721.89	698.51
Total	**10,171.76**	**10,791.28**

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
34. Other Expenses		
Electricity charges	325.80	290.22
Rent	497.85	466.13
Repairs and maintenance:		
- Building	809.46	442.51
- Plant and Machinery	84.53	56.36
- Others	135.36	66.74
Insurance	60.80	53.82
Rates and taxes	34.98	11.68
Communication expenses	73.24	85.57
Travelling and conveyance expenses	447.72	457.42
Vehicle expenses	102.69	92.64
Printing and stationery	44.20	40.59
Legal and professional fees	344.60	707.63
Security charges	392.09	352.59
Advertisement and Business Promotion expenses	198.08	121.63
Auditor's remuneration:		
- Audit Fees	123.04	100.59
- Certification fees	1.75	0.08
- Reimbursement of expenses	-	0.33
Provision for doubtful debts	57.49	51.54
Bad Debts	101.54	65.63
Foreign exchange differences (net)	-	11.56
Miscellaneous expenses	184.66	302.61
Intangible assets write off	27.62	-
Total	**4,047.50**	**3,777.87**
35. Exceptional Items		
Mark to market gain	-	(233.40)
Excess provision written back	-	(39.31)
Recovery of excess remuneration from Whole Time Director	-	(83.52)
Irrecoverable advance written off (Net)	-	139.54
Provision for interest on statutory dues written back	-	(82.69)
Recovery of bad debts/expenses	-	(38.00)
Provision for doubtful advances	-	1,395.00
Reconciliation of loan accounts (net)	(562.39)	6,864.17
Settlement of claims (Refer Note No. 43, 48 and 50.2)	(19,478.47)	(6,891.03)
Compensation on shares invoked by lender	-	659.30
(Gain)/Loss on sale of subsidiaries (Refer Note No. 49)	(4,314.69)	273.99
Gain on monetization of property, plant and equipment (Refer Note No. 63)	(15,633.29)	-
Loss on sale/discard of Property, plant and equipment/other assets written off	515.64	368.01
Total	**(39,473.20)**	**2,332.06**

Notes to the Consolidated financial statements for the year ended 31st March, 2018

36 Contingent Liabilities and Commitments

36.1 Contingent Liabilities (to the extent not provided for in respect of):

(Rs. in Lakh)

S. No.	Particulars	31st March, 2018	31st March, 2017	1st April, 2016
(a)	Disputed Income Tax Demands	11,087.78	11,514.44	3,993.25
(b)	Disputed Sales Tax demands	20.51	20.51	20.51
(c)	Disputed Maharashtra VAT demands	-	72.23	72.23
(d)	Disputed Service Tax demand	51.55	51.55	-
(e)	Disputed Local Body Tax demand	160.33	160.33	160.33
(f)	Bank Guarantees	162.00	43.00	68.00
(g)	Letter of Credit (Letter of Credit given in favour of Railways for availing e-freight facility for haulage payment)	100.00	100.00	100.00
(h)	Claims against the group not acknowledged as debts	2,397.12	4,841.55	4,699.83
(i)	Import Continuity / Transshipment Bond / Custodian cum Carrier Bond	31,910.21	57,806.21	45,726.21

36.2 Capital commitments

Estimated amount of contracts remaining to be executed on capital and other accounts and not provided for (net of advances paid) are Rs. 449.60 Lakh (31st March, 2017 - Rs. 694.10 Lakh, 1st April, 2016 - Rs. 2,249.35 Lakh)

37 Operating lease commitments

(a) The Arshiya Lifestyle Limited (wholly owned subsidiary) has entered into operating lease arrangements for certain warehouse facilities. The lease is non-cancellable and is for a period of 6 years and may be renewed for a further period of 6 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5 % every year from lease commencement date.

(Rs. in Lakh)

Particulars	31st March, 2018	31st March, 2017
Future Non-Cancellable minimum lease commitments		
Within one year	4,642.37	-
Later than one year but not later than five years	21,009.65	-
Later than five years	4,896.67	-

(b) The Group has taken office on lease under non-cancellable operating lease expiring at the end of 3 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

(Rs. in Lakh)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Future Non-Cancellable minimum lease commitments			
Within one year	340.65	156.36	119.03
Later than one year but not later than five years	1,051.11	355.39	8.47
Later than five years	-	-	0.99

38 Certain Lenders and Creditors have filed winding up petitions/cases/other legal proceedings against the Parent Company and three subsidiaries and its Directors for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. Claims by the said lenders and creditors have been contested by the Group in those proceedings and not acknowledged as debts. The financial implication of such claims will be recognized as and when finality in the matter is reached.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

39 Details of dues to Micro, Small And Medium Enterprises as per MSMED Act, 2006

(Rs. in Lakh)

S. No.	Description	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a)	Principal amount due and remaining unpaid	18.11	42.39	40.57
b)	Interest due on above	0.22	0.75	-
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	0.22	0.75	-
g)	Amount of further interest remaining due and payable in succeeding years	-	-	-

Note: Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Group and relied upon by the Auditors.

40 Employee Benefits

40.1 Disclosure pursuant to Indian Accounting Standard (IND AS) 19 – Employee Benefits

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognised as expenses for the years are as under:

(Rs. in Lakh)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Employer's Contribution to Provident Fund	19.63	19.19
Employer's Contribution to Pension Scheme	44.61	44.87
Employer's Contribution to ESIC	3.30	1.42

(b) Brief descriptions of the plans

The Group's defined contribution plans are Provident Fund and Employees State Insurance where the Group has no further obligation beyond making the contributions. The Group's defined benefit plans include gratuity. The employees are also entitled to leave encashment as per the Group's policy.

(c) Leave Encashment:

(Rs. in Lakh)

Particulars	31st March, 2018	31st March, 2017
Provision recognised in the Balance Sheet		
Current Provision as at the end of the year	16.31	16.53
Non Current Provision as at the end of the year	80.06	75.64
Provision recognised in the Balance Sheet	96.37	92.17

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(d) Defined benefit plan – Gratuity:

The employee's Gratuity fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up to final obligation.

(Rs. in Lakh)

Particulars	31st March, 2018	31st March, 2017
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2006-08) Ult	Indian Assured lives Mortality (2006-08) Ult
Discount rate	7.40%	6.90%
Expected return on plan assets	6.17%	6.90%
Salary Escalation Rate	7.00%	7.00%
Withdrawal Rate	15.00%	15.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Provision as at the beginning of the year	171.79	142.61
Interest cost	11.03	10.02
Current service cost	55.01	39.57
Benefits paid	32.45	(19.45)
Actuarial (gain)/loss on obligations	(10.62)	(0.96)
Provision as at the end of the year	**259.66**	**171.79**
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	118.68	113.70
Expected return on plan assets	15.67	8.58
Actual Enterprise's Contributions	(32.45)	19.45
Benefits paid	32.45	(19.45)
Unrecognised asset due to limit in Para 64(b)	-	(4.39)
Actuarial gain/(loss) on plan assets	(4.59)	0.80
Fair value of plan assets as at the end of the year	**129.76**	**118.68**
IV. Actual return on plan assets		
Expected return on plan assets	15.67	8.58
Actuarial gain/(loss) on plan assets	(4.59)	0.80
Actual return on plan assets	11.08	9.38
V. Provision recognised in the Balance Sheet		
Provision as at the end of the year	259.66	171.79
Fair value of plan assets as at the end of the year	129.78	118.68
Provision recognised in the Balance Sheet	**129.88**	**53.11**
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VII. Amount recognised in the Statement of Profit and Loss		
Current service cost	55.01	39.57
Interest cost	11.03	10.02
Expected return on plan assets	(19.22)	(8.58)
Net actuarial (gain)/loss to be on obligation	-	-

Notes to the Consolidated financial statements for the year ended 31st March, 2018

Expense recognised in Statement of Profit and Loss	**46.83**	**41.00**
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Amount recognised in OCI, beginning of the period	15.14	-
Components of actuarial gain/losses on obligations		
Due to Change in financial assumptions	(4.29)	2.57
Due to Change in demographic assumption	0.06	-
Due to Change in experience assumption	(6.39)	(3.53)
Expected return on plan assets	(4.59)	0.80
Total remasurement recognised in OCI	**(9.67)**	**(15.14)**
IX. Balance Sheet reconciliation		
Opening net provision	53.11	16.46
Expenses recognised in Profit & Loss	57.91	41.00
Actual Employer Contribution	28.53	(19.50)
Net transfer by group companies	-	-
Total Remeasurement recognised in OCI	(9.67)	15.14
Closing net provision	**129.88**	**53.11**

(e) Salary escalation assumption has been set in discussions with the enterprise based on their estimates of overall long-term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

40.2 Sensitivity analysis: (Rs. in Lakh)

Particulars	**Changes in assumptions**	**Effect on Gratuity obligation**
For the year ended 31st March, 2017		
Salary growth rate	+0.50%	176.25
	-0.50%	167.50
Discount rate	+0.50%	167.52
	-0.50%	176.28
For the year ended 31st March, 2018		
Salary growth rate	+0.50%	289.11
	-0.50%	275.58
Discount rate	+0.50%	275.63
	-0.50%	289.11

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the balance sheet.

These plans typically expose the Group to actuarial risks such as: longevity risk and salary risk.

(a) **Interest risk -** A decrease in the discount rate will increase the plan provision.

(b) **Longevity risk -** The present value of the defined benefit plan provision is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants. As such, an increase the plan's provision.

(c) **Salary risk -** The present value of the defined plan provision is calculated by reference to the future salaries of plan participants. As such, as increase in the salary of the plan participants will increase the plan's provision.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

40.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 6 years (31st March, 2017 - 6.6 years).

41 Preparation of financial statements on " Going Concern" basis

(a) ARIL and ATHL has incurred net losses of Rs. 10,226.66 Lakh and 103.33 Lakh during the year ended 31st March, 2018 and as of that date, those subsidiaries's current liabilities exceeded the current assets by Rs. 27,207.11 Lakh and 22.94 Lakh respectively. Accumulated losses have also resulted into more than negative net worth of those subsidiary. These subsidiaries are yet to achieve its full operational potential. Meanwhile certain lenders have recalled its loan in subsidiary and these are in the process of negotiating the revised payment terms with the creditors.

The management has also initiated various other steps as mentioned below including restructuring subsidiaries business operations. Arshiya Limited, the Parent Company, has given a support letter to extend, for the foreseeable future, any financial support which may be required by those subsidiaries. Considering the strength of locational advantages, future outlook as assessed by the management and business plan, those subsidiaries' management is confident to continue as a going concern. The long term prospects, however, are dependent on various factors and consolidated financial statements have accordingly been continued to be prepared on going concern basis.

(i) Diversified focus from only Steel industry to Cement, Agro and Tiles also so as to have a balance of product mix,
(ii) Increased focus on Khurja as a distribution hub post GST implementation,
(iii) Stabilizing of PFT business with Long term contracts and constructing the second line,
(iv) Standardization of Containers to be able to better utilize the assets,
(v) Government focus on Multi-modal logistic and transport services to increase the throughput of the infrastructure already created by the company,
(vi) Government focus on the revamping of the Railway Boards and increasing clarity on regulatory aspects to support resolution of the regulatory issues,
(vii) Two Dedicated Freight Corridor(s) (DFC) along the Western and Eastern part of India to support increase in the business volume,
(viii) Government announcement of Jewar Airport and Merut Highway connecting Jewar via Khurja and thereby connecting to Yamuna Expressway(i.e. Delhi to Agra),

(b) The Parent Company, ANFL and AIDHL has accumulated losses and certain creditors have initiated legal proceeding against this companies and their Directors for recovery of the amounts due. However in certain cases has executed consent terms or is in the process of finalizing consent terms with the creditors.

The Parent Company has given its warehouses on long term lease and received upfront lease payments. The management has also initiated various other steps such as construction and future development within the FTWZ, restructuring the Parent Company and it's subsidiaries business operations. The Parent Company, has given a support letter to extend, for the foreseeable future, any financial support which may be required by those subsidiaries. Considering the strength of locational advantages, future outlook as assessed by the management and business plan, those subsidiaries' management is confident to continue as a going concern. The long term prospects, however, are dependent on various factors and consolidated financial statements of those entities have accordingly been continued to be prepared on going concern basis.

The management is in the process of restructuring its business operations and steps are as under:

(i) Competitive advantage of the FTWZ with easily accessible to two most important retail market in NCR- Gurgaon and Delhi to increase utilization,
(ii) Aligning warehouse and distribution center logistics to support companies in alignment with business strategy and provide a competitive edge in Mutli-modal Logistics.
(iii) ICD operational facility has now entered into long term contract with global shipping majors,
(iv) The planned long term contract for transportation of Reefer cargo to increase revenue,
(v) Increasing throughput through collaborative 'Pooling of assets' with other ICD and Private Container Train Operators (PCTO),
(vi) Increasing interest from various Global customers for integrated solutions including rail transport and FTWZ,

Notes to the Consolidated financial statements for the year ended 31st March, 2018

42 Loans from various lenders of the Parent Company have been assigned by banks to Edelweiss Assets Reconstruction Company Limited (EARC). EARC had restructured the loan and executed the Restructuring Agreement (RA) dated 31st March, 2017. In accordance with RA, EARC has converted part debt into restructured debt, balance assigned loan is to be converted into 3,21,62,304 equity shares and 64,23,329 zero percent optionally convertible redeemable preference shares (OCRPS – Series I) of face value of Rs.10 each at a price of Rs.1,000 each (including premium of Rs.990) of the Parent Company, as per extent SEBI rules and regulations.

Certain lenders of wholly owned subsidiaries viz, Arshiya Rail Infrastructure Limited (ARIL), Arshiya Northern FTWZ Limited (ANFL) and Arshiya Industrial Hub Limited (AIDHL) have also assigned their loan to EARC pursuant to Restructuring Agreement executed by respective subsidiaries dated 31st March 2017. Loan amounting to Rs. 43,200 Lakh have been restructured by allotment of 43,20,000 zero percent optionally convertible redeemable preference shares (OCRPS Series II / Series III / Series IV) of face value of Rs. 10 each at a price of Rs. 1000 each (including premium of Rs. 990) of the Parent Company. These OCRPS are allotted to EARC in exchange of OCRPS of subsidiaries issued to EARC. These OCRPS have right of conversion into equity shares of the Parent Company at the option of EARC. On conversion the entire amount of OCRPS Series II / Series III / Series IV shall be adjusted against allotment of 1,19,11,962 equity shares of the Parent Company to EARC.

During the year ended 31st March, 2018:-

(i) In aggregate 4,56,62,304 equity shares of 2 each (including equity shares on conversion of OCRPS Series I, II, III and IV) have been allotted to EARC.

(ii) Pursuant to RA, the promoters of the Parent Company have also been allotted 1,85,00,000 equity shares, including 85,00,000 equity shares allotted on conversion of 85,00,000 warrants out of 1,00,00,000 warrants issued.

(iii) Allotted 25,00,000 equity shares on conversion of warrants to non-promoters.

43 During the year two lenders of a subsidiary i.e. Arshiya Industrial and Distribution Hub Limited ("AIDHL") have assigned their rights, title, and interest in financial assistance granted by them to Edelweiss Assets Reconstruction Company Limited (EARC). Post assignment of loans, EARC has become a secured lender of AIDHL and right, title and interest of the lenders have vested into EARC.

Pursuant to the assignment of such loans, and in terms of the restructuring package approved by EARC for the loans so assigned, the subsidiary has executed Restructuring Agreement (RA) with EARC, on behalf of EARC Trusts on 13th January, 2018 taking the aggregate amount of assigned loans to Rs 20,998 Lakh.

As a result of this restructuring and assignment of debts of lenders the gain earned amounting to Rs 10,398.92 Lakh has been credited to the statement of profit and loss for the year ended on 31st March, 2018. This has been disclosed as part of an exceptional item.

44 The Parent Company and its subsidiaries have made substantial repayment as agreed in amortisation schedule of Restructuring Agreement (RA) during the year ended 31st March, 2018. As per debt covenant, the Parent Company and its subsidiaries are required to adhere to repayment schedule and any short payment gives Edelweiss Asset Reconstruction Company (EARC) the right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Parent Company. No such notice of conversion in writing has been given by EARC and the Parent Company and its subsidiaries continues to disclose the amount as non-current and current borrowings as per repayment schedule, in the Balance Sheet.

The Parent Company and its subsidiaries are liable to pay penal interest of Rs. 1,099.43 Lakh on the unpaid/ delays amounts for the year ended 31st March, 2018 which has not been provided. Had the Group provided the above penal interest, the finance cost would have been higher to that extent for the year ended and total comprehensive income would have been lower to that extent having consequential impact on other equity and financials liabilities.

45 In respect of consent terms with a Non-Banking Finance Company (NBFC), the Parent Company had signed Supplementary Consent Terms (SCT) with the NBFC in respect of settlement of borrowing. The SCT mainly stipulates revised "Schedule of Payments" and penal interest. The Parent Company has defaulted in making payments as per the SCT. As per provisions of the SCT, if schedule of payment is not complied with, the entire debt prior to date of settlement of dues shall become payable along with interest as per transaction documents till the realisation of entire debt. However the Parent Company has not reversed amount written back on settlement of first consent terms of Rs. 1,719.59 Lakh and not accrued interest amounting to Rs. 237.50 Lakh.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

Had the Parent Company reversed the amount written back and made provision for interest, finance cost and other income would have been higher by amount as mentioned above, having consequential impact on total comprehensive income, other equity and financial liabilities.

46 ARIL and ANFL has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted into those subsidiaries's borrowings becoming "Non-Performing Assets" (NPAs) with these Banks. Earlier CDR-EG issued a letter dated July 31, 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 banks regarding interest rate on borrowing, the Group continued to account for interest on such borrowings at interest rate prescribed in CDR package instead of original loan documents. Further, banks are also entitled to penal interest on overdue amount of interest and principles. Pending finalisation and confirmations, such differential interest cannot be ascertained / quantified and have not been recognised in the books of account.

47 A Public Financial Institution (PFI) agreed to settle their outstanding loan constituting principle and interest of Rs. 16,700 Lakh. Settlement terms and conditions involves payment of Rs. 5,000 Lakh which is secured by land at Nagpur and for balance amount of Rs. 11,700 Lakh, allotment of Optionally Convertible Redeemable Preference Shares - V (OCRPS - V), convertible upto 15,50,000 equity shares at the option of the PFI. Considering the same, necessary effect has been given in the books of accounts during the year. As per shareholder approval in the EOGM dated 29th January 2018, the Parent Company has approved allotment of 11,70,000 OCRPS – V and the same was converted into 15,50,000 Equity shares on 22nd February, 2018 as per settlement terms agreed. Subsequently in the Honorable High Court of Bombay, the Parent Company has made the representation that post allotment of the equity shares as exercised by the PFI, the total outstanding debt remains at Rs. 5,000 Lakh and the same would be paid on or before 30th June, 2018 which is yet to be confirmed by the PFI. The matter is still to be concluded by the Honorable High Court of Bombay.

48 During the year ended 31st March, 2018 a subsidiary i.e. AIDHL has completed one time settlement (OTS) with a lender in respect of the term loan taken. OTS stipulates payment and allotment of Optionally Convertible Redeemable Preference Shares. AIDHL has made a payment of Rs 3,000 Lakh on 18th January,2018 and issued 1,20,000 OCRPS. Gain of Rs. 7,790.75 Lakh on this OTS has been credited to the Statement of Profit & Loss as an exceptional item.

49 During the year the Parent Company and a subsidiary i.e. Arshiya Northern FTWZ Ltd ("ANFTZ") have divested their entire investment in one of subsidiary namely Arshiya Supply Chain Management Private Limited (ASCM) on 2nd January 2018 by way of transfer of equity shares to a subsidiary i.e. AIDHL. On 22nd March,2018, AIDHL has divested its entire shareholding in ASCM. Pursuant to above, Rs.4,314.69 Lakh gain is accounted in consolidated financial statement which has been considered as exceptional item during the year ended 31st March 2018.

50 Mark to Market Losses (MTM)

50.1 Axis Bank

(i) The Parent Company had terminated the cross currency swap derivative contract with Axis Bank Limited on 30th September, 2015 for an agreed value of Rs. 4,200 Lakh of which the balance as on 31st March, 2017 is Rs. 2,659.79 Lakh.

(ii) The Bank had restructured above liabilities are as under:

  (a) Term Loan of Rs. 1,500 Lakh

  (b) Investment in Equity shares of the Parent Company for a balance amount of Rs. 1,159.79 Lakh as per SEBI (ICDR) Guidelines on Preferential Issue.

  Shareholders in the Extra Ordinary General Meeting (EOGM) held on 29th January, 2018 approved the allotment of upto 10,50,000 Equity shares which have been issued on 22nd February, 2018.

50.2 Kotak Mahindra Bank Limited

In respect of derivative contracts entered into by the Parent Company with ING Vysya Bank (now amalgamated with Kotak Mahindra Bank Limited w.e.f. 1st April, 2015), the bank had prematurely terminated the contracts and had demanded termination and liquidation fees aggregating to Rs. 2,875 Lakh, which are disputed by the Parent Company. However the Parent Company had provided Rs. 1,621.93 Lakh.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

The Parent Company has entered into the consent terms with a Bank during the year ended 31st March, 2018. Pursuant to consent term, additional liability (net) amounting to Rs. 1,378.06 Lakh in respect of termination and liquidation fees of derivative contracts is accounted in the books of account. The Parent Company has paid the amount as per the Consent Term during the year.

51 Cash Seized by Income Tax

The amount of Rs. 100 Lakh cash seized by the Income Tax department at the time of search on 13th June, 2014 is yet held with the department.

Name of the entity	**Rs. in Lakh**
Arshiya Limited	31.01
Arshiya Supply Chain Management Private Limited	10.65
Arshiya Rail Infrastructure Limited	20.00
Ajay S Mittal	24.66
Archana A Mittal	12.87
Arshiya Lifestyle Limited	0.80
Total	**100.00**

52 Remuneration of Rs. 114.82 Lakh paid/provided to the Executive Director for F.Y. 2013-14:

The Parent Company had applied for waiver of recovery of excess remuneration of Rs. 83.52 Lakh paid to its Whole Time Director (Director) in the earlier year which was rejected by the Ministry of Corporate Affairs vide their letter dated 2nd June, 2016. In view of the same, as on 31st March, 2018 the Parent Company has fully recovered the said amount.

53 Scheme of arrangement and amalgamation u/s 230 to 232 and other applicable provisions of the Companies Act, 2013 has been filed before the National Company Law Tribunal ("NCLT") between Arshiya Rail Infrastructure Limited (Transferee Company), Arshiya Industrial & Distribution Hub Limited (First Transferor Company) and Arshiya Transport & Handling Limited (Second Transferor Company) and their respective shareholders. The scheme is conditional on various approval / sanctions and is effective thereafter; accordingly no effect of the said Scheme is given in the consolidated financial statements. Directions of NCLT are awaited for holding the creditor's meeting in respective companies. No accounting impact and disclosures is considered and necessary at this stage pending requisite regulatory approvals.

54 The Board of Directors of the Parent Company in their meeting held on 24th May, 2018, has approved a scheme to further reorganize its corporate structure spread across various group companies, in order to integrate/consolidate it's operations by reorganizing different businesses into two entities subject to various approvals.

This Scheme is presented under Sections 230 to 232 read with Sections 66 and 52 and other applicable provisions of the Companies Act, 2013 for demerger of "Domestic warehousing business" of the Parent Company into Arshiya Rail Infrastructure Limited. This proposed scheme of arrangement is conditional upon approval of an ongoing scheme of group companies i.e. merger of Arshiya Industrial and Distribution Hub Limited, Arshiya Transport & Handling Limited in to Arshiya Rail Infrastructure Limited which is pending with NCLT. No accounting impact and disclosures is considered and necessary at this stage pending requisite regulatory approvals.

55 Cenvat Credit Receivable:

The Group has been legally advised that post merger of the AIDHL with ARIL, the unutilized cenvat credit of the AIDHL can be utilized for discharging the service tax liability of ARIL.

56 Indirect Tax Refund Receivable

(i) As per the Notification dated 16th May, 2013, issued by the government of Maharashtra, MVAT exemption/refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Parent Company has claimed refund of Rs. 1,684.56 Lakh in respect of transactions prior to record date, as the Parent Company is of the view that the state government has exempted it from local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra. The Parent

Notes to the Consolidated financial statements for the year ended 31st March, 2018

Company has filed a writ petition in the High Court of Bombay challenging the constitutional validity of MVAT on various grounds and has claimed refund of Rs. 1,684.56 Lakh. The petition has been admitted and issues are framed and further hearing and final disposal is pending. Accordingly, these financial statements reflect a sum of Rs. 1,684.56 Lakh as refund receivable on account of MVAT. In case the refund is not granted, the necessary adjustment entries shall be recorded in the year in which finality is reached.

(ii) Refunds receivable in respect of VAT, Service Tax, Local Entry Tax and Service Tax for which appeals are pending with respective Appellate Authorities. The Management is of the view that the refunds claimed as above aggregating to Rs. 355.05 Lakh are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds.

The Management is of the view that the refunds claimed as above are considered good for recovery.

57 ARIL has procured certain capital goods under EPCG scheme at concessional rate of duty. On non fulfillment of certain conditions, ARIL may become liable to pay differential custom duty along with interest thereon such procurement. The management is hopeful of completing the expected obligation within the stipulated time.

58 As per provision of sub section 1 of section 203 of Companies Act, 2013 (w.e.f. 1st April, 2014), ARIL and ANFL is required to appoint a Company Secretary. However, ARIL and ANFL has not complied with the said requirement and is in the process of identifying a suitable candidate for this role.

59 As per provision of sub section 1 of section 203 of Companies Act, 2013 (w.e.f. 1st April, 2014), AIDHL is required to appoint a Chief Financial Officer (CFO). However, AIDHL appointed Mr. Mukesh Khathuria as a CFO w.e.f. 8th February, 2017 but he left on 31st March, 2018.

60 Corporation Bank has filed a suit with Debt Recovery Tribunal, New Delhi, towards recovery against Arshiya Rail Infrastructure Limited, the Parent Company as a Corporate Guarantor and two Promoter Directors of the Parent Company as Guarantors, for Rs. 7,187.00 lakhs. The same is pending before the DRT Delhi. ARIL is in discussion with Bank for one time settlement.

61 Certain balances in respect of Trade Receivables, Loans and Advances, Trade Payables and other liabilities 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 will be adjusted in the year in which balances are reconciled.

62 Disclosure pursuant to Indian Accounting Standard (IND AS) 108 – Segment Information

62.1 Primary Segment Information

The Group operates in three primary reportable business segments, i.e. "Free Trade and Warehousing Zone/Inland Container Depot" and "Rail Transport Operations" and "Domestic Warehousing Zone" and one geographical segment i.e. India as per Accounting Standard 108 – "Segment Reporting".

62.2 Segment Revenue, results, assets and liabilities

Revenue and results have been identified to a segment on the basis of relationship to operating activities of the segment.

Segment assets and segment liabilities represent assets and liabilities in respective segments. Segment assets include all operating assets used by the operating segment and mainly includes trade receivable, inventories and other receivables. Segment liabilities primarily include borrowings, trade payables and other liabilities. Assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets and liabilities.

62.3 The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of the nature of services.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

62.4 Segmental Information as at and for the year ended 31st March, 2018 is as follows:-

(Rs. in Lakh)

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017	As at 1st April, 2016
Segment Revenue			
FTWZ/ICD	12,311.86	11,367.28	
Rail Transport Operations	13,598.31	15,543.08	
Domestic Warehousing	20.00	-	
Less: Inter Segment	(23.48)	(25.22)	
Total Revenue from Operations	**25,906.69**	**26,885.14**	
Segment Results Before Tax and Interest			
FTWZ/ICD	(1,077.65)	(1,181.00)	
Rail Transport Operations	(2,311.99)	(3,766.18)	
Domestic Warehousing	20.00	-	
Total Segment Result	**(3,369.64)**	**(4,947.18)**	
Less: Unallocated Expenses net of Income	1,373.64	1,509.92	
Less: Finance Costs	29,655.06	29,472.73	
Less: Exceptional Items (Net)	(39,473.20)	2,332.06	
Loss before tax	**5,074.86**	**(38,261.90)**	
Less: Tax Expenses	27.42	2.63	
Loss after tax	**5,047.44**	**(38,264.53)**	
Segment Assets			
FTWZ/ICD	2,54,291.15	2,66,253.91	2,74,298.58
Rail Transport Operations	53,419.38	56,216.80	60,608.14
Domestic Warehousing	7,522.95	7,499.35	7,499.35
Unallocated	0.74	22.47	731.58
Total	**3,15,234.22**	**3,29,992.53**	**3,43,137.65**
Segment Liabilities			
FTWZ/ICD	1,78,500.13	2,40,157.87	3,13,608.64
Rail Transport Operations	62,481.89	57,707.51	67,350.21
Domestic Warehousing	3.60	-	-
Unallocated	18.77	26.37	128.75
Total	**2,41,004.39**	**2,97,891.75**	**3,81,087.60**
Other Disclosures			
Capital Expenditure			
FTWZ/ICD	6,032.74	3,304.87	
Rail Transport Operations	795.33	131.18	
Domestic Warehousing	-	-	
Unallocated	-	-	
Total	**6,828.07**	**3,436.05**	
Depreciation and amortisation expenses			
FTWZ/ICD	6,041.15	6,684.10	
Rail Transport Operations	4,130.61	4,107.18	
Domestic Warehousing	-	-	
Unallocated	-	-	
Total	**10,171.76**	**10,791.28**	

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(Rs. in Lakh)

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017	As at 1st April, 2016
Non-cash Expenditure			
FTWZ/ICD	85.29	1,510.83	
Rail Transport Operations	101.36	1.34	
Domestic Warehousing	-	-	
Unallocated	-	-	
Total	**186.65**	**1,512.17**	

63 During the year, on 23 November 2017, the Parent Company, interalia, it's subsidiaries and promoters had executed Share Purchase Agreement of Arshiya Rail Siding and Infrastructure Limited ("ARSIL", i.e. a step-down subsidiary/"SPV"), with Ascendas Property Fund (India) Pte Ltd ('Ascendas') for sale of 100% of it's equity holding, having Rs. 5 Lakh paid up equity capital, to Ascendas. This SPV holds the status of a co-developer.

During the year, the Parent Company, interalia, it's subsidiaries and promoters have executed a Lease Deed on 3rd February 2018, in favour of a SPV of Ascendas Property Fund (India) Pte. Limited ("Ascendas" - part of the Ascendas-Singbridge Group, Singapore) for grant of leasehold rights of six warehouses at FTWZ Panvel, along with underlying land of those warehouses, identified assets and infrastructure facilities on an initial lease term of 30 (thirty) years. The said transaction is for a total consideration of Rs. 53,400 Lakh (or Rupees Five hundred and thirty four crore), with an upfront lease payment/lump sum rent of Rs. 43,400 Lakh (or Rupees Four hundred and thirty four crore). The balance of Rs. 10,000 Lakh (or Rupees One hundred crore) will be received over four years from transaction closing based on certain performance milestones. The transaction also envisages the terms for construction funding by Ascendas for future growth of the Parent Company's business. The Parent Company already possesses the requisite land for the future development.

On transaction closing date of 3rd February 2018, the SPV has acquired long-term leasehold rights from the Parent Company and the same are leased back under an operating lease arrangement pursuant to execution of sub-lease deed dated 3rd February 2018 to Arshiya Lifestyle Limited ("ALL"), a wholly owned subsidiary of the Parent Company, for a sub-lease term of 6 (six) years, renewable as per mutually agreed terms, in consideration of pre-agreed rentals.

Accordingly during the year ended 31st March, 2018 the Parent Company has reduced the value of assets, granted on leasehold rights to ARSIL, from its fixed assets. The gain on grant of leasehold rights to ARSIL amounting to Rs. 15,633.29 lakhs has been credited to the statement of profit and loss and is disclosed as an exceptional item.

Based on the above, ALL would operate and manage these six warehouses and pay the lease rentals to ARSIL as defined in the sub-lease agreement. Hence from 3rd February, 2018 onwards all revenue from these assets will be accounted by ALL. However the Parent Company will recognize the net revenue in terms of a business conducting agreement entered into between the Parent company and ALL.

64 Related party disclosures, as required by Indian Accounting Standard 24 "Related Party Disclosures" (IND AS-24) as given below:

(I) Person having significant influence over the Parent Company

Mr. Ajay S Mittal – Chairman and Managing Director
Mrs. Archana A Mittal – Joint Managing Director

(II) Key management personnel

Mr. Ashish Bairagra - Independent Director
Mr. Mukesh Kacker - Independent Director
Prof. G. Raghuram - Independent Director (till 15th May, 2017)
Mr. Rishabh Shah - Independent Director
Mr. Ranjit Ray – Chief Executive Officer of Rail Operations (till 17th November, 2016)
Ms. Savita Dalal – Company Secretary of Arshiya Limited
Mr. Sanjay Sukhram Lakkhan - Company Secretary of Arshiya Industrial & Distribution Hub Limited (w.e.f. 7th September, 2016)

Arshiya

Notes to the Consolidated financial statements for the year ended 31st March, 2018

Mr. S. Maheshwari - Chief Financial Officer of Arshiya Limited (w.e.f. 8th February, 2017) and Group President
Mr. Navnit Choudhary - Chief Financial Officer of Arshiya Northern FTWZ Limited (w.e.f. 8th February, 2017)
Mr. Dinesh kumar Sodani - Chief Financial Officer of Arshiya Rail Infrastructure Limited (w.e.f. 8th February, 2017 to 12th January, 2018)
Mr. Mukesh Khathuria - Chief Financial Officer of Arshiya Industrial & Distribution Hub Limited (w.e.f. 8th February, 2017 to 31st March, 2018)
Mr. Vinod Jain - Chief Financial Officer of Arshiya Rail Infrastructure Limited (w.e.f. 12th January, 2018)

(III) Relative of Person having significant influence over the Parent Company
Mr. Ananya Mittal – Corporate Strategy Officer

(IV) Enterprise owned or significantly influenced by key management personnel or their relatives
Rudradev Properties Private Limited
Mega Management Services Private Limited
Welldone Software Consultancy Private Limited

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

(Rs. in Lakh)

Nature of transaction	Name of the Party	31st March, 2018	31st March, 2017
Remuneration paid to Key Managerial Person and Relative of Person having significant influence over the Group	Mr. Ananya Mittal	25.68	25.68
	Mr. Ranjit Ray	-	85.44
	Mr. S. Maheshwari	185.15	25.00
Director sitting fees	Mr. Ashishkumar Bairagra	2.00	1.40
	Mr. Mukesh Kacker	1.80	1.00
	Prof. G. Raghuram	0.20	0.20
	Mr. Rishabh Shah	1.75	1.15
Loans and Advances taken	Mr. Ajay S Mittal	3,064.09	-
	Mrs. Archana A Mittal	4,260.42	1,587.81
	Rudradev Properties Private Limited	-	3.00
Loans and Advances taken repaid/ adjusted	Mr. Ajay S Mittal	2,594.62	0.04
	Mrs. Archana A Mittal	2,860.31	1,862.40
	Rudradev Properties Private Limited	1.00	1.00
	Mega Management Services Private Limited	13.32	-
	Welldone Software Consultancy Private Limited	0.19	-
Investments purchased from	Mr. Ajay S Mittal	-	0.28
	Mrs. Archana A Mittal	0.49	14.58
Investments sold to	Rudradev Properties Private Limited	-	4.00
Issue of Equity Shares and Warrants	Mr. Ajay S Mittal		
	Equity Share	5,835.00	-
	Share Warrants	5,820.00	-
	Mr. S. Maheshwari		
	Equity Share	583.50	-
Share Warrants converted into Equity	Mr. Ajay S Mittal	4,959.75	-

Notes to the Consolidated financial statements for the year ended 31st March, 2018

Closing balances (Rs. in Lakh)

Nature	Related Party	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loans and Advances taken	Mr. Ajay S Mittal	469.75	0.28	0.04
	Mrs. Archana A Mittal	1,468.01	67.90	327.91
	Rudradev Properties Private Limited	1.00	2.00	-
Share warrants	Mr. Ajay S Mittal	860.25	-	-
Equity Shares (excluding share premium)	Mr. S. Maheshwari	20.00	-	-
Personal guarantees taken	Mr. Ajay S Mittal	3,11,657.00	3,32,080.00	3,30,680.00
	Mrs. Archana A Mittal	3,11,262.00	3,31,685.00	3,30,285.00

65 Earnings per share:

Particulars	31st March 2018	31st March 2017
Profit/(Loss) for the year (Rs. in Lakh)	5,047.44	(38,264.53)
Add: Interest adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	946.32	-
Total Profit/(Loss) for the year for diluted EPS (Rs. in Lakh)	5,993.76	(38,264.53)
Number of equity shares		
Weighted average number of equity shares (Number)	18,31,20,902	15,61,79,472
Add: Adjustment on account of Share Warrants	5,91,781	-
Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	54,82,856	-
Total Weighted average number of equity shares/shares warrants/OCRPS	18,91,95,538	15,61,79,472
Nominal value per share (Amount in Rs.)	2.00	2.00
Earnings per share – Basic and Diluted (Amount in Rs.)	2.76	(24.51)

0% OCRPS and share warrants had an anti diluting effect on earning per share hence have not been consider for the purpose of computing dilutive earning per share during the year.

66 Taxation

66.1 In view of loss for the year, no provision for taxation has been made.

66.2 The Group has not recognised any deferred tax assets on deductible temporary differences, unused tax losses as it is not probable that the Group will have sufficient future taxable profit which can be available against the available tax losses.

66.3 Unused tax losses for which no deferred tax assets has been recognised

(Rs. in Lakh)

Assessment Year	Business Loss	Unabsorbed Depreciation	Available for utilization till
2011-2012	8.57	-	A.Y. 2019-2020
2012-2013	579.96	2,073.04	A.Y. 2020-2021
2013-2014	3.11	2,381.87	A.Y. 2021-2022
2014-2015	19,557.57	17,342.16	A.Y. 2022-2023
2015-2016	350.67	18,231.03	A.Y. 2023-2024
2016-2017	7,137.81	14,589.27	A.Y. 2024-2025
2017-2018	72,436.80	14,096.93	A.Y. 2025-2026
2018-2019	11,863.29	5,701.57	A.Y. 2026-2027
Total	**1,11,937.78**	**74,415.87**	

Notes to the Consolidated financial statements for the year ended 31st March, 2018

Assessment Year	Long term Capital Loss	Short term Capital Loss	Available for utilization till
2011-2012	-	0.61	A.Y. 2019-2020
2016-2017	1,658.88	-	A.Y. 2024-2025
2018-2019	4,338.19	10,350.00	A.Y. 2026-2027
Total	**5,997.07**	**10,350.61**	

Deferred tax assets as at 31st March, 2018 Rs.45,714.08 Lakh (31st March, 2017 - Rs. 61,574.24 Lakh, 1st April, 2016 - Rs. 47,868.79 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilized by the Group. Details of deferred tax assets are mentioned below:

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Property, plant and equipment	17,129.21	15,273.17	15,065.82
Unabsorbed depreciation	(17,225.95)	(17,154.26)	(17,940.55)
Expenses allowable on payments under section 43B and 40 (a) (ia)	(12,538.11)	(18,548.09)	(28,170.91)
Unabsorbed losses	(30,844.25)	(38,389.67)	(16,900.85)
Financial Instruments	(2,234.98)	(2,755.39)	77.70
Total Deferred tax assets	**(45,714.08)**	**(61,574.24)**	**(47,868.79)**

67 Financial Risk Management

The Group's principal financial liabilities comprises of borrowings, trade and other payables and financial guarantees contracts. The main purpose of these financial liabilities is to manage for the Group's operations. The Group's financial assets comprises of trade and other receivables, cash and deposits that arises directly from its operations.

The Group's activities expose it to variety of financial risks including credit risk, liquidity risk and market risk. The Group's risks management assessment, management and processes are established to identify and analyze the risks faced by the Group to set up appropriate risks limits and controls, and to monitor such risks and compliances with the same. Risks assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial instruments, financial assets measured at amortised cost.	Ageing analysis	Regular review of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Unhedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Unhedged

The Group's risk management is carried out by a corporate finance team under the policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas, such as credit risk, interest rate risk.

(a) Credit Risk

The Group is exposed to credit risk, which is risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. Credit risk arises from cash and cash equivalents as well as credit exposures to trade customers including outstanding receivables.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through continuously monitoring the creditworthiness of customers to which the Group

Notes to the Consolidated financial statements for the year ended 31st March, 2018

grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Credit risk is high as only few customers' account for majority of the revenue in the year presented. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain.

(b) Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations without incurring unacceptable losses. The Group's objective is to, at all times; maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group limits its liquidity risk by ensuring regular monitoring of funds from trade and other receivables. The Group relies on assets light business model through monetization of assets and tie-up of construction funding and operating cash flows to meet its needs for funds.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Contractual maturities of financial liabilities

(Rs. in Lakh)

Particulars	less than 1 year	1 to 5 years	More than 5 year
31st March, 2018			
Financial liabilities			
Borrowings	50,179.38	1,31,491.71	-
OCRPS (Equity and Liability Component)	-	-	58,846.19
Trade payables	1,926.99	-	-
Creditors for Capital Goods	8,422.54	-	-
Financial guarantee obligations	-	224.03	-
Other financial liabilities	32,864.69	1,718.36	-
Total	**93,393.60**	**1,33,434.10**	**58,846.19**
31st March, 2017			
Financial liabilities			
Borrowings	79,837.99	1,31,938.50	
Trade payables	1,732.57	-	-
Creditors for Capital Goods	8,557.71	-	-
Other financial liabilities	48,745.54	2,801.86	-
Mark to Market on derivative contracts	1,621.94	-	-
Total	**1,40,495.75**	**1,34,740.36**	**-**
1st April, 2016			
Financial liabilities			
Borrowings	1,93,975.05	55,344.36	-
Trade payables	1,544.47	-	-
Creditors for Capital Goods	8,378.29	-	-
Other financial liabilities	1,08,677.83	3,336.43	-
Mark to Market on derivative contracts	1,848.48	-	-
Total	**3,14,424.12**	**58,680.79**	**-**

(c) Market Risk

Market Risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: 1) Foreign currency risk and 2) Interest rate risk

Notes to the Consolidated financial statements for the year ended 31st March, 2018

1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flow or an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

1.1 Foreign currency risk exposure

(i) Derivative contracts entered into by the Group for hedging purpose:

Particulars	Financial Year Ended	Foreign currency amount (Amount in Lakh)	Equivalent amount in INR (Rs. in Lakh)
Financial Liabilities - Derivatives			
USD	31st March, 2018	-	-
	31st March, 2017	-	-
	1st April, 2016	380.75	25,226.55

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

Particulars	Financial Year Ended	Foreign currency amount (Amount in Lakh)	Equivalent amount in INR (Rs. in Lakh)
Bank Balance			
USD	31st March, 2018	0.13	8.56
	31st March, 2017	0.01	0.43
	1st April, 2016	-	-
Trade Receivables			
USD	31st March, 2018	29.62	1,903.03
	31st March, 2017	34.20	2,186.50
	1st April, 2016	24.44	1,599.04
QAR	31st March, 2018	0.04	0.79
	31st March, 2017	-	-
	1st April, 2016	-	-
EUR	31st March, 2018	0.47	36.85
	31st March, 2017	0.24	16.19
	1st April, 2016	0.18	13.38
Security Deposit from customer			
USD	31st March, 2018	5.61	360.71
	31st March, 2017	1.43	91.22
	1st April, 2016	0.81	52.94
EUR	31st March, 2018	0.03	2.72
	31st March, 2017	0.01	0.49
	1st April, 2016	0.04	2.66
Advance from Customers			
USD	31st March, 2018	0.53	34.01
	31st March, 2017	-	-
	1st April, 2016	-	-

Notes to the Consolidated financial statements for the year ended 31st March, 2018

1.2 Sensitivity

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(Rs. in Lakh)

Increase/(decrease) in profit before tax

Particulars	31st March, 2018	31st March, 2017
FX rate - increase by 1% on closing rate of reporting date	15.52	21.11
FX rate - (decrease) by 1% on closing rate of reporting date	(15.52)	(21.11)

The above amounts have been disclosed based on the accounting policy for exchange differences.

2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the Group's borrowings is fixed rate borrowings carried at amortised cost, therefore not subject to interest rate risk as defined in IND AS - 107, since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Group's interest rate risk arises from long term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's borrowings at the variable rate were mainly denominated in Rupees.

2.1 Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

(Rs. in Lakh)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Variable rate borrowing	22,790.49	47,323.90	1,31,335.76

2.2 Sensitivity of Interest

Profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of changes in interest rates.

(Rs. in Lakh)

Increase/(decrease) in profit before tax

Particulars	31st March, 2018	31st March, 2017
50 bps increase the profit before tax by	(113.95)	(236.62)
50 bps decrease the profit before tax by	113.95	236.62

68 Fair Value Measurements

(i) Financial Instruments by Category

(Rs. in Lakh)

Particulars	Carrying Amount			Fair Value		
	31st March, 2018	31st March, 2017	1st April, 2016	31st March, 2018	31st March, 2017	1st April, 2016
Financial Assets						
Amortised cost						
Trade Receivables	2,742.67	2,369.45	2,144.60	2,742.67	2,369.45	2,144.60
Cash and Cash Equivalents	1,285.84	332.93	778.91	1,285.84	332.93	778.91
Other Bank Balances	498.54	519.29	395.22	498.54	519.29	395.22
Security Deposits	11,151.19	117.10	161.54	11,151.19	117.10	161.54
Other Financial Assets	2,995.28	-	659.38	2,995.28	-	659.38
Total	**18,673.52**	**3,338.77**	**4,139.65**	**18,673.52**	**3,338.77**	**4,139.65**
Financial Liabilities						
Amortised cost						
Borrowings	1,90,215.83	2,25,914.24	2,49,319.41	1,90,215.83	2,25,914.24	2,49,319.41
Trade Payables	1,926.99	1,732.57	1,544.47	1,926.99	1,732.57	1,544.47
Creditors for Capital Goods	8,422.54	8,557.71	8,378.29	8,422.54	8,557.71	8,378.29
Security Deposits	1,296.53	911.54	713.33	1,296.53	911.54	713.33
Other financial liabilities	33,510.55	52,257.80	1,13,149.41	33,510.55	52,257.80	1,13,149.41
Total	**2,35,372.44**	**2,89,373.86**	**3,73,104.91**	**2,35,372.44**	**2,89,373.86**	**3,73,104.91**

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(ii) Fair Valuation techniques used to determine fair value

The Group maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

(a) The Group assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) The fair values for security deposits and other financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(c) The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard.

(a) Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

(b) Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

69 Capital Management

For the Group's objective when managing capital is to safeguard the Group's ability to continue going concern in order to provide the return to shareholders and benefit to other stakeholders and to maintain an optional capital structure to reduce the cost of capital, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares (if permitted). The Group monitors capital using a gearing ratio, which is debts divided by total equity.

As stated in Notes to accounts, the Group is also having scheme of arrangements to reorganize the capital structure.

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st Apr 2016
Total Debts	2,20,133.85	2,68,562.12	3,54,690.66
Total Equity	74,229.83	32,100.78	(37,949.95)
Total debt to equity ratio (Gearing ratio)	**2.97**	**8.37**	**(9.35)**

Notes:-

(i) Debt is defined as long term and short term borrowings including current maturities of borrowings and interest accrued.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

Debt Covenants
Under the terms of Restructuring Agreement (RA), the Group is required to comply with following financial covenants:

Without prior approval of lender, the Group shall not:

(a) Loans, debenture & charge - Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.

(b) Dividend on equity shares - declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA.

In order to achieve this overall objective, the capital management, amongst other thing, aims to ensure that it meets financial covenants attached to the interest bearing Loans and borrowings that define capital structure requirements, there have been breaches in the financial covenants of Interest bearing loans and borrowing in the current period and previous period.

The Parent Company has not proposed any dividend in last three year in view of losses incurred.

70 Standards issued but not effective

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) has notified IND AS 115 - Revenue from contract with customers and certain amendment to existing IND AS. These amendments shall be applicable to the Group from 1st April, 2018.

(a) Issue of IND AS 115 - Revenue from contract with customers

IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 Revenue, IND AS 11 Construction Contracts and the related interpretation. IND AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued IND AS

The MCA has also carried out amendments of the following accounting standards:

(i) IND AS 21 - The Effect of Changes in foreign Exchange Rate
(ii) IND AS 40 - Investment Property
(iii) IND AS 12 - Income Tax
(iv) IND AS 28 - Investment in Associates and Joint ventures and
(v) IND AS 112 - Disclosure of interests in other entities

Applications of above standards are not expected to have any significant impact on the Group's financial statements.

71 Information required for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013

S. No.	Name of the subsidiary	FY 2017-18					
		Total Equity		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Total Equity	Rs. in Lakh	As % of Consolidated Other Comprehensive Income	Rs. in Lakh	As % of Consolidated Total Comprehensive Income	Rs. in Lakh
I	**Parent Subsidiaries Indian:**						
1	Arshiya Limited	223.40%	1,65,827.64	(27.82%)	(2.69)	103.15%	5,196.39
2	Arshiya Rail Infrastructure Limited	(12.56%)	(9,323.28)	74.35%	7.19	(203.00%)	(10,226.66)
3	Arshiya Northern FTWZ Limited	37.94%	28,161.35	(99.79%)	(9.65)	(182.59%)	(9,198.48)

Notes to the Consolidated financial statements for the year ended 31st March, 2018

S. No.	Name of the subsidiary	FY 2017-18					
		Total Equity		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Total Equity	Rs. in Lakh	As % of Consolidated Other Comprehensive Income	Rs. in Lakh	As % of Consolidated Total Comprehensive Income	Rs. in Lakh
4	Arshiya Industrial & Distribution Hub Limited	28.78%	21,361.49	1.45%	0.14	20.65%	1,040.12
5	Arshiya Transport and Handling Limited	(1.29%)	(959.74)	-	-	(2.05%)	(103.33)
6	Arshiya Technologies (India) Private Limited	(0.00%)	(2.88)	-	-	(0.03%)	(1.65)
7	Arshiya Lifestyle Limited	2.42%	1,798.21	-	-	(0.44%)	(22.38)
8	Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited) (w.e.f. 13th June, 2017)	0.05%	37.79	179.11%	17.32	(1.96%)	(98.54)
9	Arshiya Supply Chain Management Private Limited (up to 21st March, 2018)	-	-	(27.30%)	(2.64)	(31.62%)	(1,592.76)
	Stepdown Subsidiary:						
	Held through Arshiya Rail Infrastructure Limited						
10	Arshiya Rail Siding and Infrastructure Limited (up to 3rd February, 2018)	-	-	-	-	0.04%	1.79
	Consolidation Adjustments/ Eliminiations*	(178.73%)	(1,32,670.75)	0.00%	-	397.86%	20,043.27
	Total	100.00%	**74,229.83**	100.00%	**9.67**	100.00%	**5,037.77**

* The above figures for the Parent Company and subsidaries are presented before intercompany eliminations and consolidation adjustments in order to conform to the respective financial statements of the Parent Company and Subsidiaries.

72 First Time Adoption of Ind As

These are the Group's first consolidated financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 5 have been applied in preparing the consolidated financial statements for the year ended 31st March, 2018, the comparative information presented in these consolidated financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

Ind AS optional exemptions

(i) Deemed cost of property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets covered by Ind AS 38 - Intangible Assets as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value as deemed cost.

(ii) Business combinations

Ind AS 101 provides an exemption for all transactions qualifying as business combinations, not to restate any business combinations under Ind AS 103, occurring before the transition date. The Group has elected to apply this exemption and accordingly the Group has not restated business combinations occurring before 1st April, 2016.

Mandatory exceptions applied

The following mandatory exception have been applied in accordance with IND AS 101 in preparing the consolidated financial statements.

(i) Estimates

The Group estimates in accordance with IND AS at the date of transition to IND AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. IND AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with the Indian GAAP except where IND AS required a difference basis for estimates as compared to the Indian GAAP.

(ii) Classification and measurement of financial assets

The Group has classified the financial assets in accordance with Ind AS 109 “Financial Instruments” on the basis of facts and circumstances that exist at the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(i) Consolidated Balance sheet as at date of transition (1st April, 2016) (Rs. in Lakh)

Particulars	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3,22,926.73	(476.12)	3,22,450.61
(b) Intangible Assets	4,245.70	-	4,245.70
(c) Financial Assets			
(i) Other Financial Assets	-	41.73	41.73
(d) Long Term Loans and Advances	8,107.05	(8,107.05)	-
(e) Other Non-Current Assets	41.73	7,795.65	7,837.38
	3,35,321.21	**(745.79)**	**3,34,575.42**
Current assets			
(a) Inventories	160.41	-	160.41
(b) Financial Assets			
(i) Trade Receivables	2,328.49	(183.89)	2,144.60
(ii) Cash and Cash Equivalents	961.41	(182.50)	778.91
(iii) Bank Balances Other than (ii) above	207.96	187.26	395.22
(iv) Other Financial Assets	-	779.19	779.19
(c) Short Term Loans and Advances	4,146.30	(4,146.30)	-
(d) Other Current Assets	4.77	4,299.13	4,303.90
	7,809.34	**752.89**	**8,562.23**
TOTAL	**3,43,130.55**	**7.10**	**3,43,137.65**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	3,123.59	-	3,123.59
(b) Other Equity	(37,499.03)	(3,574.51)	(41,073.54)
	(34,375.44)	**(3,574.51)**	**(37,949.95)**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	55,344.36	-	55,344.36
(ii) Other Financial Liabilities	-	3,336.43	3,336.43
(b) Provisions	97.50	0.51	98.01
(c) Other Non-Current Liabilities	4,469.87	(1,110.97)	3,358.90
	59,911.73	**2,225.97**	**62,137.70**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18,035.82	-	18,035.82
(ii) Trade Payables	1,399.93	144.54	1,544.47
(iii) Other Financial Liabilities	-	2,94,843.83	2,94,843.83
(b) Other Current Liabilities	2,96,202.84	(2,91,693.70)	4,509.14
(c) Provisions	1,955.67	(1,939.03)	16.64
	3,17,594.26	**1,355.64**	**3,18,949.90**
TOTAL	**3,43,130.55**	**7.10**	**3,43,137.65**

Notes to the Consolidated financial statements for the year ended 31st March, 2018

Consolidated Balance sheet as at 31st March, 2017 (Rs. in Lakh)

Particulars	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3,18,073.65	(2,624.39)	3,15,449.26
(b) Intangible Assets	3,547.19	0.06	3,547.25
(c) Financial Assets			
(i) Other Financial Assets	-	-	-
(d) Long Term Loans and Advances	3,297.86	(3,297.86)	-
(e) Other Non-Current Assets	-	3,097.15	3,097.15
	3,24,918.70	**(2,825.04)**	**3,22,093.66**
Current assets			
(a) Inventories	15.73	-	15.73
(b) Financial Assets			
(i) Trade Receivables	2,510.85	(141.40)	2,369.45
(ii) Cash and Cash Equivalents	332.93	-	332.93
(iii) Bank Balances Other than (ii) above	497.18	22.11	519.29
(iv) Other Financial Assets	-	117.10	117.10
(c) Short Term Loans and Advances	4,120.10	(4,120.10)	-
(d) Other Current Assets	22.12	4,522.25	4,544.37
	7,498.91	**399.96**	**7,898.87**
TOTAL	**3,32,417.61**	**(2,425.08)**	**3,29,992.53**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	3,123.59	-	3,123.59
(b) Other Equity	(77,070.19)	1,06,047.38	28,977.19
	(73,946.60)	**1,06,047.38**	**32,100.78**
Debt convertible into Equity and Zero Percent Optionally Convertible Redeemable Preference Shares	1,26,200.00	(1,26,200.00)	-
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	1,31,940.50	14,336.70	1,46,277.20
(iii) Other Financial Liabilities	-	2,801.86	2,801.86
(b) Provisions	131.20	(7.71)	123.49
(c) Other Non-Current Liabilities	3,307.09	(361.09)	2,946.00
	1,35,378.79	**16,769.76**	**1,52,148.55**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	6,992.61	2.00	6,994.61
(ii) Trade Payables	1,596.95	135.62	1,732.57
(iii) Other Financial Liabilities	-	1,31,567.62	1,31,567.62
(b) Other Current Liabilities	1,34,476.63	(1,29,050.02)	5,426.61
(c) Provisions	1,719.23	(1,697.44)	21.79
	1,44,785.42	**957.78**	**1,45,743.20**
TOTAL	**3,32,417.61**	**(2,425.08)**	**3,29,992.53**

Notes to the Consolidated financial statements for the year ended 31st March, 2018

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017 (Rs. in Lakh)

Particulars	IGAAP	Ind-AS Adjustments	Ind-AS
INCOME			
Revenue from operations	26,776.13	109.01	26,885.14
Other income	162.46	471.36	633.82
Total Income (I)	**26,938.59**	**580.37**	**27,518.96**
EXPENSES			
Cost of operations	15,839.47	6.55	15,846.02
Employee benefits expense	3,537.20	23.70	3,560.90
Finance costs	29,144.63	328.10	29,472.73
Depreciation and amortization expense	8,643.07	2,148.21	10,791.28
Other expenses	3,296.33	481.54	3,777.87
Total Expenses (II)	**60,460.70**	**2,988.10**	**63,448.80**
Profit/(loss) before exceptional items and tax (I-II)	**(33,522.11)**	**(2,407.73)**	**(35,929.84)**
Exceptional items	5,696.89	(3,364.83)	2,332.06
Prior period adjustments	45.33	(45.33)	-
Profit/(loss) before tax	**(39,264.33)**	**1,002.43**	**(38,261.90)**
Tax expense:			
Short provision for prior year	2.63	-	2.63
Deferred tax			
Profit/(loss) for the year	**(39,266.96)**	**1,002.43**	**(38,264.53)**
OTHER COMPREHENSIVE INCOME			
Item not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains/(losses) on defined benefit plans		(15.14)	(15.14)
Other Comprehensive income for the year	**-**	**(15.14)**	**(15.14)**
Total comprehensive income for the year	**(39,266.96)**	**987.29**	**(38,279.67)**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

(iv) Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016 (Rs. in Lakh)

Particulars	Note	31st March, 2017	1st April, 2016
Total equity (shareholder's funds) as per previous GAAP		**(73,946.60)**	**(34,375.44)**
Adjustments:			
Revenue recognition as per percentage of completion method (net)	1	(9.00)	(42.66)
Government Grant income	2	730.98	365.49
Increase in depreciation due to recognition of government grant for duty saved on PPE	2	(730.98)	(365.49)
Fair valuation of financial instruments	3,4,5	4,497.12	462.10
Expected credit losses on financial assets	6	(235.43)	(183.89)
Debt convertible into Equity classified as other equity	7	18,766.71	-
Fair valuation of optionally convertible redeemable preference shares (OCRPS)	8	88,620.84	-
Prior period adjustments	10	(5,592.86)	(3,810.06)
Other Comprehensive Income (OCI):			
Total adjustments		**1,06,047.38**	**(3,574.51)**
Total equity (shareholder's fund) as per Ind AS		**32,100.78**	**(37,949.95)**

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(v) Reconciliation of total comprehensive income for the year ended 31st March, 2017 (Rs. in Lakh)

Particulars	Note	March 31, 2017
Profit after tax as per previous GAAP		**(39,266.96)**
Adjustments:		
Revenue recognition as per percentage of completion method (net)	1	33.66
Government Grant income	2	365.49
Increase in depreciation due to recognition of government grant for duty saved on PPE	2	(365.49)
Fair valuation of financial instruments	3,4,5	2,749.68
Expected credit losses on financial assets	6	(51.54)
Actuarial (gain)/ Loss on employee defined benefit fund recognised in Other Comprehensive Income	9	10.70
Prior Period Adjustments	10	(1,740.07)
Total adjustments		**1,002.43**
Profit after tax as per Ind AS		**(38,264.53)**
Other comprehensive income	**11**	**(15.14)**
Total comprehensive income as per Ind AS		**(38,279.67)**

C. Notes to first-time adoption:

1 Change in revenue recognition as per percentage of completion method POCM (Net)

Under the previous GAAP, the Group recognised revenue from Rail freight and Allied Services on the day of issue of Railway Receipt (RR) by Indian Railways. Under Ind AS, the revenue for service contract is recognised on the basis of Percentage of Completion method (POCM). The impact on this account has been recognised in the total equity on the transition date and the subsequent impact are recognised in the consolidated statement of profit and loss.

2 Government Grants

Under the previous GAAP, eligible incentives under Export promotion capital goods (EPCG) scheme were recognised by way of reduction of the duty saved from the cost of related capital goods imported under the scheme and the outstanding amount of underlying export obligation as at the Balance Sheet date was disclosed as contingent liability. Under Ind AS, eligible incentives under EPCG scheme is recognised as deferred income by a corresponding debit to the cost of capital goods imported under the scheme and income is recognised in the Consolidated Statement of Profit and Loss in proportion of depreciation charged over the period. As at the date of transition, Government grant in proportion to outstanding amount of export obligation has been recognised as a liability by a corresponding debit to the property, plant and equipment.

3 Borrowings

Under the Previous GAAP, transaction costs were charged to profit or loss as and when incurred. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

4 Security deposits

Under the Previous GAAP, interest free refundable security deposits from unitholders are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as advance rent on the transition date and the subsequent impact are recognised in the consolidated statement of profit and loss.

5 Fair value of financial instruments

Under the previous GAAP, settlement on account of derivatives contracts is recorded at its transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value which is subsequently amortised as an unwinding interest on financial instruments to the Consolidated Statement of Profit and Loss over the tenure of financial liability.

6 Expected credit loss on financial assets

Under the Previous GAAP, the Group has created provision for impairment of trade receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). The Group is also required to account for loss allowance on trade receivables based on the Expected Credit Loss model.

Arshiya

Notes to the Consolidated financial statements for the year ended 31st March, 2018

7 Debt convertible into Equity classified as other equity

Debt convertible into Equity of Rs. 18,766.71 Lakh is classified as other equity under IND AS. Incidential expenses of Rs. 327.25 Lakh incurred towards restructuring of origination of debt deducted from the security premium account on initial recognition i.e. 31st March, 2017.

8 0% Optionally convertible redeemable preference shares (OCRPS)

The Parent Company has issued 0% optionally convertible redeemable preference shares (OCRPS). Under Ind AS, The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. Interest on liability component is recognised using the effective interest method. Accordingly, the Group recoginsed as liability component of Rs. 17,511.54 Lakh as at 31st March, 2017 (1st April, 2016 - Rs. Nil) and as equity component of Rs. 88,620.84 Lakh as at 31st March, 2017 (1st April, 2016 - Rs. Nil). Transaction costs of Rs. 214.64 Lakh incurred on liability component deducted from the liability component and Rs. 1,086.26 Lakh incurred on equity component deducted from the equity component on initial recognition.

9 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

10 Prior Period Adjustments

During the year life of internal roads was changed retrospectively from 60 years to 10 years and accordingly depreciation amount and book value of internal roads have been changed.

11 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

12 Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

13 Cash Flow Statement

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flow from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the previous GAAP.

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number 101720W

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 24th May 2018

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Vinod Kumar Jain
VP - Accounts & Finance

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

(Rs. in Lakh)

S. No.	Name of the subsidiary	Financial Period ended	Currency	Equity	Other Equity	Total assets	Total liabilities (excluding equity and other equity)	Invest-ments	Turnover	Profit / (Loss) before taxation(1*)	Provision for taxation	Profit / (Loss) after taxation	% of Share holding(1*)
1	Arshiya Industrial & Distribution Hub Limited	31st March, 2018	INR	1,723.72	19,637.77	69,499.67	48,138.18	-	78.38	1,039.98	-	1,039.98	100%
2	Arshiya Northern FTWZ Limited	31st March, 2018	INR	1,086.87	27,074.48	76,453.37	48,292.02	-	308.40	(9,188.82)	-	(9,188.82)	100%
3	Arshiya Rail Infrastructure Limited	31st March, 2018	INR	4,238.44	(13,561.72)	55,191.45	64,514.73	-	13,598.32	(10,242.11)	-	(10,242.11)	100%
4	Arshiya Transport And Handling Limited	31st March, 2018	INR	5.00	(964.74)	0.42	960.16	-	-	(103.33)	-	(103.33)	100%
5	Arshiya Technologies (India) Private Limited	31st March, 2018	INR	10.12	(13.00)	0.32	3.20	-	-	(1.65)	-	(1.65)	100%
6	Arshiya Lifestyle Limited	31st March, 2018	INR	148.50	1,649.71	3,364.87	1,566.66	-	1,890.38	(22.38)	-	(22.38)	100%
7	Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited)	31st March, 2018	INR	160.00	(122.21)	1,299.42	1,261.63	-	4,845.64	(115.86)	-	(115.86)	100%
8	Arshiya Supply Chain Management Private Limited (till 22nd March, 2018)	21st March, 2018	INR	-	-	-	-	-	2,277.43	(1,563.05)	27.07	(1,590.12)	Nil (2 & 3*)
9	Arshiya Rail Siding and Infrastructure Limited (till 3rd February, 2018)	31st January, 2018	INR	-	-	-	-	-	-	(1.44)	0.35	(1.79)	Nil (4*)

(1*) % of Share Holding including beneficial interest/ voting power (either directly/indirectly or through subsidiaries).
(2*) Nil (12.64%) held through Arshiya Northern FTWZ Limited.
(3*) Arshiya Supply Chain Management Private Limited has been dispossed on 22nd March, 2018 above disclousre are up to 21st March, 2018.
(4*) Arshiya Rail Siding and Infrastructure Limited has been dispossed on 3rd February, 2018 above disclousre are up to 31st January, 2018.

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Vinod Kumar Jain
VP - Accounts & Finance

Place: Mumbai
Date: 24th May 2018

Arshiya

ARSHIYA LIMITED
CIN: L93000MH1981PLC024747
Reg. Off: 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400018
T: +91 22 42305500/02 **F:** +91 22 4230 5555
E-mail: info@arshiyalimited.com | **Website:** www.arshiyalimited.com

ATTENDANCE SLIP
THIRTY-SEVENTH ANNUAL GENERAL MEETING

I, a member/ proxy / authorised representative for a member of the Company, hereby record my presence at the 37th Annual General Meeting of the Company on Tuesday, the 18th September, 2018 at 03.00 p.m. at Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai-400 018.

<table>
<tr><td colspan="3">Registered Folio no./ DP ID no./ Client Id no.:</td></tr>
<tr><td colspan="3">Name and Address of the Shareholder:</td></tr>
<tr><td colspan="3">Number of shares held :</td></tr>
<tr><td>If Shareholder(s) please sign here</td><td colspan="2">If Proxy, please mention name and sign here</td></tr>
<tr><td rowspan="2"></td><td>Name of Proxy</td><td>Signature</td></tr>
<tr><td colspan="2"></td></tr>
</table>

ELECTRONIC VOTING PARTICULARS

EVEN (e- voting event number)	User ID	Password

Notes:

(1) Shareholders / Proxy holders as the case may be are requested to produce the attendance slip duly signed at the Meeting entrance.

(2) Members holding shares in physical form, are requested to advise change in their address, if any, to the Registrar & Share Transfer Agent, Big Share Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai 400059.

ARSHIYA LIMITED
CIN: L93000MH1981PLC024747
Reg. Off: 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400018
T: +91 22 42305500/02 **F:** +91 22 4230 5555
E-mail: info@arshiyalimited.com | **Website:** www.arshiyalimited.com

FORM NO. MGT-11 (PROXY FORM)
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

37th Annual General Meeting- 18th September, 2018

Name of the member (s):	
Registered Address:	
E-mail Id:	
Folio No/Client Id*:	DP ID*:

I/We, being the member (s) of ______________________ shares of the above named company, hereby appoint

1. Name: .... Email ID: ....

   Address: ....

   .... Signature:

   Or failing him/her

2. Name: .... Email ID: ....

   Address: ....

   .... Signature:

   Or failing him/her

3. Name: .... Email ID: ....

   Address: ....

   ....Signature:

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Thirty-Seventh Annual General Meeting of the Company, to be held on Tuesday, the 18th September, 2018 at 03.00 p.m. at Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai- 400 018 and at any adjournment thereof in respect of resolutions are indicated below:

Resolution No.	Resolutions	Vote**		
		FOR	AGAINST	ABSTAIN
Ordinary Business				
1.	**Adoption of Annual Accounts of the Company as on March 31, 2018.** (Ordinary Resolution)			
2.	**Appointment of Mr. Ajay S. Mittal as director liable to retire by rotation.** (Ordinary Resolution)			
3.	**Ratification for Appointment of Statutory Auditor.** (Ordinary Resolution)			
Special Business				
4.	**Ratification of Remuneration to Cost Auditor** (Ordinary Resolution)			
5.	**Appointment of Mr. T. S. Bhattacharya as an Independent Director** (Ordinary Resolution)			

*Applicable for investors holding shares in Electronic form.

**This is only optional Please put a √ in the appropriate column against the resolutions indicated in the Box. Alternatively you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote, if you leave all the columns blank against any or all the resolutions your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed ____________ this day of ________ 2018

Affix
Revenue
Stamp
Rs.1/-

Signature of shareholder: ___________________

Signature of Proxy holder(s): ________________

Notes:

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting i.e. on or before 18th September, 2018 at 03:00 p.m.
2) A proxy need not be a member of the company.
3) In case the appointer is a body corporate the proxy form should be signed under its seal or be signed by an office or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the proxy form.
4) A person can act as a proxy on behalf of such number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Further a member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member.
5) In case of joint holders the signature of any one holder will be sufficient but names of all the joint holders should be stated.

Arshiya

Corporate & Registered Office

Arshiya Limited
302, Level 3 , Ceejay House , Opp. Atria Mall , Dr. Annie Besant Road,
Worli, Mumbai - 400 018, India
T: +91 22 4230 5500/502 F: +91 22 4230 5555

www.arshiyalimited.com