



ARSHIYA CENTRAL FTWZ LIMITED

Financial Statement for the

Financial Year 2014-15



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ARSHIYA CENTRAL FTWZ LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ARSHIYA CENTRAL FTWZ LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
- and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

The company is unable to commence business pending transfer of land as explained in Note No.12.

Despite the same, these accounts have been prepared on a going concern basis on the assumption that the company shall be able to acquire infrastructure and commence business.

Our Opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.



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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion the aforesaid financial statements comply with accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigation which would impact its financial position.
 - ii. The company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



MUKUL M. PATEL
Partner
Membership No. 32489



Place: Mumbai
Date: 15th May, 2015

Annexure to the Independent Auditors' Report

As referred to in the Annexure to the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2015, we report that:

- i. The Company does not have any fixed assets. Therefore, the requirements of Clause 3(i) of the Order are not applicable.
- ii. The nature of the business of the Company does not require it to purchase any inventory and hence, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans to any party, covered in the register maintained under section 189 of the Companies Act, 2013 and hence clause 3(iii) of the Order is not applicable
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase fixed assets and sale of services. We have not noticed any major weaknesses in the internal control system during the course of audit.
- v. The Company has not accepted any deposits and hence, the directions of the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provision of the Companies Act 2013 and its rules, are not applicable. Hence clause 3(v) of the Order is not applicable.
- vi. According to the information and explanations obtained, the Company is not required to maintain cost records as prescribed under Section 148(1) of the Act pursuant to the Companies (Cost Accounting Records) Rules 2013 notified by the Central Government of India vide notification dated 1 April 2014.
- vii.
 - (a) According to the information and explanations given to us and according to the books and records as produced before us, in our opinion, there is no delay in payment of tax deducted at source by the Company.
 - (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
 - (c) According to the information and explanations given to us there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Hence clause 3(vii)(c) of the Order is not applicable.



- viii. The Company's accumulated losses have not exceeded 50% of its net worth. The Company has *incurred cash losses* both in the *current as well as in the preceding financial year*.
- ix. The Company did not have any dues to banks, financial institution and debenture holder during the year. Hence, provisions of clause 3(ix) of the Order are not applicable to the Company.
- x. According to information and explanations given to us, the Company has not given guarantee for loan taken by others from banks or financial institutions. Hence, provisions of clause 3(x) of the Order are not applicable to the Company.
- xi. According to information and explanations given to us, the Company has not taken any term loan during the year and hence, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii. To the best our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of Companies operations, no fraud of material significance on or by the Company has been noticed or reported during the year.

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



Mukul M. Patel
Partner
Membership No. 32489

Place: Mumbai

Date: 15th May, 2015.

ARSHIYA CENTRAL FTWZ LIMITED

Balance Sheet as at 31st March 2015

(Amount in ₹)

Particulars	Notes	As at 31st March 2015	As at 31st March 2014
I. EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUNDS			
(a) Share Capital	4	21,38,40,230	21,38,40,230
(b) Reserves and Surplus	5	70,67,04,523	70,67,97,392
2. CURRENT LIABILITIES			
Other Current Liabilities	6	9,84,103	10,08,132
Total		92,15,28,856	92,16,45,754
II. ASSETS			
1. NON-CURRENT ASSETS			
(a) Long-Term Loans and Advances	7	92,15,06,549	92,16,19,404
2. CURRENT ASSETS			
(a) Cash and Cash Equivalents	8	22,307	22,307
(b) Other Current Assets	9	-	4,043
Total		92,15,28,856	92,16,45,754

Significant Accounting Policies
Notes on Financial statements

3
1 to 16

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

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



Mukul Patel
Partner
Membership No. 32489
Place: Mumbai
Date: 15th May, 2015





Navnit Choudhary
Director
DIN No.00613576



Ranjit Ray
Director
DIN No.03341453



ARSHIYA CENTRAL FTWZ LIMITED

Statement of Profit and Loss for the year ended 31st March 2015

(Amount in ₹)

Particulars	Notes	For the Year ended 31st March 2015	For the Year ended 31st March 2014
INCOME:			
Income from Operations		-	-
		-	-
EXPENDITURE:			
Other Expenses	10	88,826	70,298
Total Expenses		88,826	70,298
Loss Before Tax And Exceptional Item		(88,826)	(70,298)
Exceptional Item	11	4,043	1,16,25,148
Loss For the Year		(92,869)	(1,16,95,446)
Earning Per Equity Share of Face Value of ₹ 10 each Basic & Diluted		(0.004)	(0.547)

Significant Accounting Policies
Notes on Financial statements

3
1 to 16

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



Mukul Patel

Partner

Membership No. 32489

Place: Mumbai

Date: 15th May, 2015



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



Navnit Choudhary

Director

DIN No.00613576



Ranjit Ray

Director

DIN No.03341453



ARSHIYA CENTRAL FTWZ LIMITED

Cash Flow statement for the year ended 31st March 2015

		(Amount in ₹)	
	Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A.	CASH FLOWS FROM OPERATING ACTIVITIES :		
	Loss before tax as per Statement of Profit and Loss	(92,869)	(1,16,95,446)
	Capital Expenditure Write off	-	1,16,25,148
	Operating Profit before Working Capital Changes	(92,869)	(70,298)
	Adjusted for:		
	Increase/(Decrease) in Other Current Liabilities	(24,029)	(2,23,944)
	Decrease/(Increase) in Non-Current Assets	1,16,898	(98,43,829)
	Net Cash (used in) Operating Activities	-	95,49,586.53
B.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Unsecured Loan	-	(1,00,04,330)
	Net Cash from Financing Activities	-	(1,00,04,330)
	Net Increase in Cash & Cash Equivalent (A+B)	-	(4,54,743)
	COMPONENTS OF CASH & CASH EQUIVALENTS:		
	Opening balance of of cash and cash equivalents	22,307	4,77,050
	Cash and cash equivalents at the end of the year	22,307	22,307

Note: The cash flow statement has been prepared under the "Indirect Method" set out in the Accounting Standard 3 " Cash Flow Statement" issued by The Institute of Chartered Accountants of India

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


Mukul Patel
Partner
Membership No. 32489
Place: Mumbai
Date: 15th May, 2015



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


Navnit Choudhary
Director
DIN No.00613576


Ranjit Ray
Director
DIN No.03341453



ARSHIYA CENTRAL FTWZ LIMITED

Notes to financial statements for the year ended 31st March, 2015

1. Corporate Information

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

2. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on an accrual basis of accounting and in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") and are in conformity with mandatory accounting standards, as specified in the Companies (Accounting Standards) Rules, 2006 as prescribed by the Central Government and the relevant provisions of the Companies Act, 2013.

3. Significant Accounting Policies

(i) Use of Estimates:

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

(ii) Accounting for Taxes on Income

Taxes on Income are accounted for in accordance with Accounting Standard – 22 on "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Tax expenses comprise both Current Tax and Deferred Tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities using the applicable tax rates. Deferred Tax Assets and Liabilities are recognized, if required, for future tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates.

(iii) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised, but are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the Financial Statement.

(iv) Earnings per Share

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



ARSHIYA CENTRAL FTWZ LIMITED

Notes to financial statements for the year ended 31st March, 2015

(v) Cash Flow Statement

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

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



ARSHIYA CENTRAL FTWZ LIMITED

Notes to financial statements for the year ended 31st March 2015

(Amount in ₹)

Particulars	As at 31st March 2015	As at 31st March 2014
4. Share Capital		
Authorised		
2,50,00,000 (previous year 2,50,00,000) Equity shares of Rs. 10/- each	25,00,00,000	25,00,00,000
Issued, Subscribed and Paid up		
2,13,84,023 (previous year 2,13,84,023) Equity shares of Rs. 10/- each fully paid	21,38,40,230	21,38,40,230
Total	21,38,40,230	21,38,40,230

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Rs.	Number	Rs.
Balance at the beginning of the year	2,13,84,023	21,38,40,230	2,13,84,023	21,38,40,230
Shares Issued during the year	-	-	-	-
Balance at the close of the year	2,13,84,023	21,38,40,230	2,13,84,023	21,38,40,230

(b) Terms/rights attached to the equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends to the shareholders who are holding the shares on record date which is subject to the approval of the shareholders in the ensuing Annual 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 in the proportion to the number of equity shares held by the shareholders after distribution of all preferential amounts.

(c) Shares held by Holding Company

Name of Share Holder	As at 31st March 2015	As at 31st March 2014
1,10,50,000 Equity Shares of Rs. 10/- each fully paid up. Out of equity shares 1,10,49,400 equity shares are held by the Holding Company namely Arshiya Limited and for 600 equity shares holding company is the beneficial owner.	11,05,00,000	11,05,00,000
Total	11,05,00,000	11,05,00,000

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

Name of Share Holder	As at March 31, 2015		As at March 31, 2014	
	No of Equity shares held	% Holding in the class	No of Equity shares held	% Holding in the class
Arshiya Limited	1,10,50,000	52%	1,10,50,000	52%
Arshiya Hong Kong Limited	1,03,34,023	48%	1,03,34,023	48%
Total	2,13,84,023	100%	2,13,84,023	100%



ARSHIYA CENTRAL FTWZ LIMITED

Notes to financial statements for the year ended 31st March 2015

(Amount in ₹)		
Particulars	As at 31st March 2015	As at 31st March 2014
5. Reserve & Surplus		
Security Premium		
Opening Balance	71,88,63,015	71,88,63,015
Add: Addition during the year	-	-
Closing Balance	71,88,63,015	71,88,63,015
Surplus/(Deficit) in the statement of profit & loss		
Opening Balance	(1,20,65,623)	(3,70,177)
Loss for the year	(92,869)	(1,16,95,446)
Closing Balance	(1,21,58,492)	(1,20,65,623)
	70,67,04,523	70,67,97,392
6. Other Current Liabilities		
Other Creditors (Refer Note No.15)	9,84,103	9,51,423
Statutory Dues	-	56,709
	9,84,103	10,08,132
7. Long Term Loans & Advances		
(Unsecured, Considered Good)		
Advances to Holding Company for purchase of Land (Refer Note No.12)	92,15,06,549	92,16,19,404
	92,15,06,549	92,16,19,404
8. Cash and Bank Equivalents		
Balances with banks	22,307	22,307
	22,307	22,307
9. Other current Assets		
Taxes Receivable	-	4,043
	-	4,043



ARSHIYA CENTRAL FTWZ LIMITED

Notes to financial statements for the year ended 31st March 2015

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
10. Other Expenses		
Rates and Taxes	37,647	5,841
Legal and Professional Charges	18,500	16,854
Auditors Remuneration - Audit Fees	22,472	20,000
Miscellaneous Expenses	10,208	27,603
	88,826	70,298
11. Exceptional Items		
TDS Receivable written off	4,043	-
Capital Work in Progress written off	-	1,16,25,148
	4,043	1,16,25,148



ARSHIYA CENTRAL FTWZ LIMITED**Notes to financial statements for the year ended 31st March, 2015**

12. The Company had given to Arshiya Limited (the holding company) advances for purchase of land at Nagpur (Near Bori Village) which is notified as Free Trade and Warehousing Zone by the Ministry of Commerce and Industry (Department of Commerce), Government of India. Arshiya Limited is unable to transfer the land to the Company in view of it being not able to obtain the consent from the lender to whom the said land has been given as security.

13. Earnings per Share (EPS)

(Amount in ₹)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Net loss attributable to Shareholders	(92,869)	(11,695,446)
Average number of equity shares	21,384,023	21,384,023
Face value per share	10	10
Basic/ Diluted Earnings Per Share	(0.004)	(0.547)

14. Related Party and its relationship

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

Name of Related Parties and Related Party relationship

Name of Related Parties	Relationship
Arshiya Limited	Holding Company
Navnit Choudhary Ranjit Ray	Key Management Personnel

Note:

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

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

(Amount in ₹)

Particulars	Holding Company
Loan Taken	
Opening Balance	NIL
	(10,004,330)
Expenses Incurred of behalf of company	NIL
	(278,483)
Loan repaid/Adjusted	NIL
	(10,282,813)
Closing Balance	NIL
	(NIL)



ARSHIYA CENTRAL FTWZ LIMITED**Notes to financial statements for the year ended 31st March, 2015**

Amount paid for Capital assets	
Balance as on 01-04-2014	921,619,404
	(931,463,233)
Amount paid / Adjusted	NIL
	(NIL)
Expenses Incurred on behalf of Company/Amount Refunded	112,856
	(9,843,289)
Closing Balance	921,506,549
	(921,619,404)

Figures in bracket represents figures of last financial year.

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

The company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence the disclosure, if any, relating to amount unpaid as at the yearend together with interest payable as required under the said act have not been given.

16. Previous year's figures have been reclassified to conform to current year's classification.


Signatures to Notes forming part of Financial Statements

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


Mukul Patel
Partner
Membership No: 32489
Place: Mumbai
Date: 15th May, 2015



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


Navnit Choudhary
Director
DIN No.00613576


Ranjit Ray
Director
DIN No.03341453





Arshiya Supply Chain Management Private Limited

Audited Financial Statement for the

Financial Year 2014-15



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Arshiya Supply Chain Management Private Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of **ARSHIYA SUPPLY CHAIN MANAGEMENT PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

1. The Company continues to be under financial stress due to non-generation of adequate revenue as reflected by:
 - (i) Outstanding Trade Receivable of Rs. 15,03,43,698
 - (ii) Substantial Creditors remaining outstanding to be paid.
 - (iii) Unpaid employees dues of Rs. 66,25,620
 - (iv) Tax Deducted at Source of Rs. 13,22,30,340

Despite the foregoing, these accounts have been prepared on a "Going Concern" basis as referred to in note no. 29 of the Financial Statements.

2. Further to the above, we draw attention to the following matters in the Notes to the Financial Statements.
 - (i) Note No. 31 Re: Tax Deducted at Source.
 - (ii) Note No. 37 Re: Balance confirmations
 - (iii) Note No. 40 Re: Intercompany Advances/Loans/Guarantees granted/received.

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



Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion the aforesaid financial statements comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigation which would impact its financial position.
 - ii. The company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



Mukul M. Patel

MUKUL M. PATEL
Partner
Membership No. 32489

Place: Mumbai
Date: 15th May, 2015

Annexure to the Independent Auditors' Report

As referred to in the Annexure to the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2015, we report that :

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- ii. The nature of the business of the Company does not require it to purchase any inventory and hence, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans to any party, covered in the register maintained under section 189 of the Companies Act, 2013 and hence clause 3(iii) of the Order is not applicable
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase fixed assets and sale of services. We have not noticed any major weaknesses in the internal control system during the course of audit.
- v. The Company has not accepted any deposits and hence, the directions of the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provision of the Companies Act 2013 and its rules, are not applicable. Hence clause 3(v) of the Order is not applicable.
- vi. The Company is operating from a Special Economy Zone and hence, is exempt from maintenance of cost records as prescribed under section 148(1) of the Companies Act, 2013.
- vii. (a) The Company is generally regular in depositing undisputed applicable statutory dues, *except, tax deducted at source of Rs.10,00,04,974/- which is outstanding as of the year-end for a period of more than six months from their due dates of payment.*
(b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
(c) According to the information and explanations given to us there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Hence clause 3(vii)(c) of the Order is not applicable.



- viii. *The accumulated losses of the Company are more than 50% of its net worth. The Company has not incurred cash losses during the year and it has incurred cash losses in the immediately preceding financial year.*
- ix. The Company has not taken any loan from banks, financial institution and has not issued any debentures during the year. Hence, provisions of clause 3(ix) of the Order are not applicable to the Company.
- x. According to information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions. Hence, provisions of clause 3(x) of the Order are not applicable to the Company
- xi. According to information and explanations given to us, and on examination of the balance sheet and other records, during the year, part disbursement of term loan was received by the Company, which has been applied for the purpose for which the loan was obtained.
- xii. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud of material significance on or by the Company has been noticed or reported during the year.

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



Mukul M. Patel

Mukul M. Patel
Partner
Membership No. 32489


Place: Mumbai

Date: 15th May, 2015.

Arshiya Supply Chain Management Private Limited
Balance Sheet as at 31st March 2015

	Notes	As at 31st March 2015	(Amount in ₹) As at 31st March, 2014
I. Equity And Liabilities			
1. Shareholders' Funds			
(a) Share Capital	3	3,78,71,200	3,78,71,200.00
(b) Reserves and Surplus	4	(1,21,43,31,777)	(1,27,97,03,254)
2. Non-Current Liabilities			
(a) Long-term Borrowings	5	81,87,88,890	56,66,66,667
(b) Long-term Provisions	6	6,56,340	8,24,214
3. Current Liabilities			
(a) Short-term Borrowing	7	10,09,500	95,60,891
(b) Trade Payables	8	20,58,13,483	27,96,49,784
(c) Other Current Liabilities	9	62,14,99,132	49,69,33,089
(d) Short-term Provisions	10	39,02,764	14,14,29,248
Total		47,52,09,531	25,32,31,839
II. Assets			
1. Non Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		8,01,909	30,98,683
(ii) Intangible Assets		35,51,237	1,14,746
(iii)Intangible Assets under development		-	39,45,700
(b) Long-term Loans and advances	12	27,70,00,000	20,00,000
2. Current Assets			
(a) Trade Receivables	13	15,03,43,698	11,45,82,018
(b) Cash and Bank balances	14	6,15,508	86,79,467
(c) Short-term Loans and advances	15	4,28,97,178	12,08,11,225
Total		47,52,09,531	25,32,31,839
Summary of Significant Accounting Policies	2		
See accompanying notes to the Financial Statements	3 to 41		


As per our Report of even date attached
For M.A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W



Mukul Patel
Partner
Mem. No. 32489



Place: Mumbai
Dated: 15th May, 2015

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


Ajay S. Mittal
Director
DIN : 00226355


Navnit Choudhary
Director
DIN : 00613576



Arshiya Supply Chain Management Private Limited
Statement of Profit and Loss for the Year Ended 31st March 2015

(Amount in ₹)

	Notes	Year Ended 31st March 2015	Year Ended 31st March 2014
Income			
Revenue from Operations	16	68,51,37,199	53,46,66,860
Other Income	17	2,40,06,948	58,11,621
Total Revenue		70,91,44,147	54,04,78,481
Expenditure			
Operating Expenses	18	49,54,82,306	53,94,06,796
Employee Benefit Expenses	19	2,85,61,812	4,84,88,385
Other Expenses	20	1,28,01,685	2,98,81,786
Finance Cost	21	16,82,98,531	16,36,57,698
Depreciation / Amortization	11	11,79,060	11,53,407
Total Expenses		70,63,23,394	78,25,88,072
Profit(Loss) for the year before exceptional item		28,20,753	(24,21,09,591)
Less: Prior Period Adjustment		-	1,49,94,45,590
Less: Exceptional Items	22	(75,74,794)	25,85,84,602
Profit (Loss) before Tax		1,03,95,547	(2,00,01,39,783)
Tax Expenses			
Current Tax		15,05,000	-
Prior year Tax Adjustments		(5,81,07,853)	1,58,12,336
MAT Credit Reversed		-	12,41,76,994
Deferred Tax		-	7,78,89,363
Profit (Loss) for the year		6,69,98,400	(2,21,80,18,476)
Earnings per Equity Share			
Basic and Diluted (in ₹)		17.69	(1,381.09)
(Refer Note No: 27)			

Summary of Significant Accounting Policies 2
See accompanying notes to the Financial Statements 3 to 41

As per our Report of even date attached

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

Mukul Patel

Mukul Patel
Partner
Mem. No. 32489



Place: Mumbai
Dated: 15th May, 2015

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

Ajay S. Mittal

Ajay S. Mittal
Director
DIN : 00226355

Navnit Choudhary

Navnit Choudhary
Director
DIN : 00613576



Arshiya Supply Chain Management Private Limited
Cash Flow Statement for the year ended 31st March, 2015

(Amount in ₹)


		For the Year Ended	
		31st March 2015	31st March 2014
A.	CASH FLOWS FROM OPERATING ACTIVITIES :		
	Net Profit/(Loss) before tax as per Statement of Profit & Loss	1,03,95,547	(2,00,01,39,783)
	Adjusted for:		
	Depreciation	11,79,060	11,53,407
	Finance Cost	16,82,98,531	14,33,27,561
	Reversal of Revenue of Prior years	-	1,49,85,26,005
	Bad debts written off	90,97,784	25,85,84,602
	Provision for Doubtful Debts	5,74,079	1,40,04,829
	Interest Income	(16,71,012)	(1,34,790)
	Loss on Sale of Fixed Assets	-	3,38,769
	Amortised Ancillary Borrowing Cost written off	-	2,03,30,137
	CWIP Written off	-	9,19,585
	Interest on Delayed Payment of TDS Written back	(1,34,57,528)	-
	Excess Provision Written Back	(1,26,19,493)	(89,212)
	Employee Due Written back	(32,15,050)	-
	Unrealised Foreign Exchange (Gain)/ Loss	(46,13,638)	9,31,093
	Operating Profit before Working Capital Changes	15,39,68,280	(6,22,47,797)
	Adjusted for:		
	Increase/(Decrease) in Provisions	(6,90,46,091)	(22,24,863)
	Increase/(Decrease) in Current Liabilities	(27,28,476)	6,38,11,556
	(Increase)/Decrease in Long Term Loans and Advances	(27,50,00,000)	-
	(Increase)/Decrease in Loans and Advances	7,79,14,046	12,062
	(Increase)/Decrease in Trade Payables	(7,38,36,302)	(44,64,12,655)
	(Increase)/Decrease in Trade Receivables	(4,02,45,826)	4,73,69,667
	Cash from /(used in) Operating Activities	(22,89,74,370)	(39,96,92,030)
	Taxes Paid - (net)	-	(2,42,61,435)
	Net Cash from /(used in) Operating Activities	(22,89,74,370)	(42,39,53,465)
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Interest Received	16,71,012	1,34,790
	Net Cash from/ (used in) Investing Activities	16,71,012	1,34,790
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from Issue of Shares	-	52,47,07,175
	Short Term Loan Availed / (Repaid) (net)	(85,51,391)	(7,56,239)
	Term Loan Availed / (Repaid) (net)	37,71,22,223	5,00,00,000
	Finance Cost	(14,93,31,433)	(14,33,27,561)
	Net Cash from/(used in) Financing Activities	21,92,39,399	43,06,23,375
	Effect of Foreign Exchange differences on Translation of Foreign	-	(11,72,259)
	Net Increase/(Decrease) in Cash & Cash Equivalent(A+B+C)	(80,63,959)	56,32,441
	Opening balance of cash and cash equivalents	86,79,467	30,47,026
	Net Increase/(Decrease) in Cash & Cash Equivalent(A+B+C)	(80,63,959)	56,32,441
	Closing balance of cash and cash equivalents	6,15,508	86,79,467

Note:

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard notified under Companies Act, 2013.
- 2) Previous Year's figures have been regrouped/ reclassified wherever necessary to confirm to current years' classification.

This is the Cash Flow referred to in our report of even date.

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



Mukul Patel
 Partner
 Mem. No. 32489

Place: Mumbai
 Dated: 15th May, 2015



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


Ajay S. Mittal
 Director
 DIN : 00226355


Navnit Choudhary
 Director
 DIN : 00613576



Arshiya Supply Chain Management Private Limited

Notes to financial statements for the year ended 31st March, 2015

1. Corporate Information

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

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

The Company provides end to end supply and demand chain solutions to its customers.

2. A. Basis of preparation of Financial Statements

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

B. Significant Accounting Policies

i. Use of Estimates

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

ii. Fixed Assets

(a) Tangible Fixed Assets

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

(b) Intangible Fixed Assets

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



Arshiya Supply Chain Management Private Limited

Notes to financial statements for the year ended 31st March, 2015

(c) Capital work-in-progress

The costs of fixed assets which are not ready for its intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

iii. Depreciation and Amortization

(a) Tangible Assets:

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

(b) Intangible Assets

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

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

iv. Revenue Recognition

(a) Revenue for Storage and Management fees from customers is recognized on an accrual basis.

(b) Revenue from Handling and Transportation is based on Inward and Outward movement of containerized cargo.

(c) Revenue from Value Added Services and other activities is recognised based on completion of agreed contracted services.

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

v. Foreign Currency Transactions

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



Arshiya Supply Chain Management Private Limited

Notes to financial statements for the year ended 31st March, 2015

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

vi. Employee benefits

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

(a) Defined Contribution Plan

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

(b) Defined Benefit Plan

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

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

(c) Other Employee Benefits

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

vii. Leases

Operating lease

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

viii. Accounting for Taxes on Income

- (a) Provision for current tax is made, based on the tax payable under the Income Tax Act, 1951.
- (b) Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates. Deferred Tax assets are not recognized unless there are timing differences, the reversal of which will result in sufficient income or there is



Arshiya Supply Chain Management Private Limited

Notes to financial statements for the year ended 31st March, 2015

virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

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

ix. Impairment

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

x. Earnings per Share (EPS)

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

xi. Provisions, Contingent Liability and Contingent Assets

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

xii. Cash Flow Statement

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

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



Arshiya Supply Chain Management Private Limited

Notes to Financial statements for the year ended 31st March 2015

(Amount in ₹)

3. Share Capital

Authorised :

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

As at
31st March 2015

As at
31st March, 2014

4,00,00,000

4,00,00,000

Issued, Subscribed and Fully Paid-up :

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

Total

3,78,71,200

3,78,71,200

3,78,71,200

3,78,71,200

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

Particulars	As at 31st March 2015		As at 31st March, 2014	
	Number	₹	Number	₹
Balance at the beginning of the year	37,87,120	3,78,71,200	16,00,000	1,60,00,000
Add : Issued during the Year	-	-	21,87,120	2,18,71,200
Balance at the close of the year	37,87,120	3,78,71,200	37,87,120	3,78,71,200

(b) Terms/rights attached to the equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends to the shareholders who are holding the shares on record date which is subject to the approval of the shareholders in the ensuing Annual 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 in the proportion to the number of equity shares held by the shareholders after distribution of all preferential amounts.

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

Name of the Shareholder	As at 31st March 2015		As at 31st March 2014	
	Number	Amount in ₹	Number	Amount in ₹
Arshiya Limited	33,08,333	3,30,83,330	33,08,333	3,30,83,330
Arshiya Northern FTWZ Limited	4,78,787	47,87,870	4,78,787	47,87,870
	37,87,120	3,78,71,200	37,87,120	3,78,71,200

Note:-33,08,333 (Previous Year 33,08,333) Equity Shares of ₹ 10/- each of which,33,08,333 (Previous Year-33,08,333) equity shares are held by the Holding Company via Arshiya Limited and balance 100 (Previous Year -100) equity shares held through declaration of beneficial interest as per Section 89 of the Companies Act 2013.

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

Name of the Shareholder	As at 31st March 2015		As at 31st March 2014	
	Number	% of Holding	Number	% of Holding
Arshiya Limited	33,08,333	87.36%	33,08,333	87.36%
Arshiya Northern FTWZ Limited	4,78,787	12.64%	4,78,787	12.64%
Total	37,87,120	100.00%	37,87,120	100.00%



Arshiya Supply Chain Management Private Limited

Notes to Financial statements for the year ended 31st March 2015

	As at 31st March 2015	(Amount in ₹) As at 31st March 2014
4. Reserves & Surplus		
Securities Premium		
Opening Balance	50,28,35,975	-
Add : On Issue of Shares	-	50,30,37,600
Less: Utilised for Stamp duty & ROC Fees paid for Increase in share capital	-	2,01,625
Closing Balance	50,28,35,975	50,28,35,975
Surplus/(Deficit) in the Statement of Profit & Loss		
Opening Balance	(1,78,25,39,229)	43,54,79,247
Add: Profit/(Loss) for the year	6,69,98,400	(2,21,80,18,476)
Less: Adjustment for depreciation (Refer Note No. 32)	(16,26,923)	-
Closing Balance	(1,71,71,67,752)	(1,78,25,39,229)
TOTAL	(1,21,43,31,777)	(1,27,97,03,254)
5. Long -Term Borrowings		
Secured		
Term Loan - Others (Refer Note No : 9)	81,87,88,890	56,66,66,667
Total	81,87,88,890	56,66,66,667

The Term loan facility is secured by:

- 5.1 Exclusive charge on all receivables and cash flow of the company, as limited to Panvel FTWZ business.
- 5.2 Corporate Guarantee of Arshiya Limited and Arshiya Northern FTWZ Limited for the facility extended to the company.
- 5.3 Personal Guarantee of Promoters of Holding Company i.e. Mr. Ajay Mittal and Mrs.Archana Mittal.
- 5.4 Pledge of minimum 49% shareholding of Arshiya Northern FTWZ Limited and Second charge on all Assets of Arshiya Northern FTWZ Limited.
- 5.5 Term Loan carries interest rate of 12% and 15.50% . On non compliance of sanction terms within the stipulated period, 2% penal interest is payable
- 5.6 For maturity profile of secure Term Loan :
- 5.6.(i) Refer long term maturities shown below
- 5.6.(ii) Refer current maturities of long term loan referred to in Note No. 9.

Maturity Profile as on 31-03-2015

Financial Year	Amount in ₹
2015-16	40,83,33,333
2016-17	53,33,33,333
2017-18	25,00,00,000
2018-19	3,54,55,557



Arshiya Supply Chain Management Private Limited

Notes to Financial Statements for the year ended 31st March, 2015

	As at 31st March 2015	(Amount in ₹) As at 31st March 2014
6. Long Term Provision		
Employee's Benefits - Leave Encashment (Refer Note No : 23)	6,56,340	8,24,214
Total	6,56,340	8,24,214
7. Short Term Borrowings		
(Unsecured)		
Loan from Holding Company *	-	95,60,891
Loan from Fellow Subsidiary Company *	10,09,500	-
Total	10,09,500	95,60,891
* Interest Free Loan Repayable on Demand		
8. Trade Payables		
Trade Payables (Refer Note No : 30)	20,58,13,483	27,96,49,784
Total	20,58,13,483	27,96,49,784
9. Other Current Liabilities		
Current Maturities of Long Term Loan (Refer Note No : 5)	40,83,33,333	28,33,33,333
Statutory Dues	13,24,05,632	14,02,57,950
Interest on Delayed Payment of TDS	3,57,15,846	3,02,06,277
Employees dues Payable	92,82,425	1,41,27,653
Provision for Expenses	40,38,225	11,28,368
Security Deposits	2,28,06,090	2,33,64,667
Advances from Customers	89,17,580	45,14,841
Total	62,14,99,131	49,69,33,089
10. Short -Term Provision		
Provision for Employees related benefits	1,28,384	1,67,522
Others		
Leave Travel Allowance	22,69,380	16,86,118
Provision for Taxes (Net of Taxes Paid)	15,05,000	13,95,75,608
Total	39,02,764	14,14,29,248



Arshiya Supply Chain Management Private Limited

Notes to Financial Statements for the year ended 31st March, 2015

11. FIXED ASSETS

(Amount in ₹)

DESCRIPTION OF ASSETS	GROSS BLOCK		DEPRECIATION/AMORTIZATION			NET BLOCK	
	As at 1st April 2014	Adjustments	As at 31st March 2015	For the year	Adjustments *	As at 31st March 2015	As at 31st March 2014
TANGIBLE ASSETS							
Equipments	9,72,981	-	9,72,981	2,99,340	1,37,894	6,31,439	7,78,776
Furniture & Fixtures	6,42,993	-	6,42,993	71,111	-	1,96,219	5,17,885
Computers	48,62,745	-	48,62,745	2,99,400	14,89,029	48,49,152	18,02,022
Sub Total (A)	64,78,719	-	64,78,719	6,69,851	16,26,923	56,76,810	30,98,683
INTANGIBLE ASSETS							
Software Licenses	8,71,074	39,45,700	48,16,774	5,09,209	-	12,65,537	1,14,746
Sub Total (B)	5,71,074	39,45,700	48,16,774	5,09,209	-	12,65,537	1,14,746
Total (A+B)	73,49,793	39,45,700	1,12,95,493	11,79,060	16,26,923	69,42,347	32,13,429
Intangible Assets under development (C)	39,45,700	(39,45,700)	-	-	-	-	39,45,700
GRAND TOTAL (A+B+C)	1,12,95,493	-	1,12,95,493	11,79,060	16,26,923	69,42,347	71,59,129
Previous Year	1,31,13,520	18,18,027	1,12,95,493	11,53,407	5,49,673	41,36,364	95,80,890

* Adjustment is as per part C of Schedule II of the Companies Act 2013. (Refer Note No. 32)



Arshiya Supply Chain Management Private Limited

Notes to Financial Statements for the year ended 31st March, 2015

	As at 31st March 2015	(Amount in ₹) As at 31st March 2014
12. Long Term Loans & Advances		
(Unsecured, Considered Good)		
<u>Security Deposits</u>		
With Holding Company	26,20,00,000	20,00,000
With Others	1,50,00,000	-
Total	27,70,00,000	20,00,000
13. Trade Receivables (Unsecured)		
Outstanding for period exceeding six month		
Considered good	2,30,78,264	3,13,77,687
Considered doubtful	19,59,415	1,40,04,829
Less Provision for doubtful Debts	(19,59,415)	(1,40,04,829)
Other Debts	-	-
Considered good	12,72,65,434	8,32,04,331
Total	15,03,43,698	11,45,82,018
14. Cash and Cash Equivalents		
Cash on Hand	33,711	72,162
Balance with Banks	5,81,797	86,07,305
Total	6,15,508	86,79,467
15. Short -Term Loans and Advances		
(Unsecured, considered good)		
<u>Balances with Government Authorities</u>		
Tax deducted at source (Net of Provisions)	3,78,68,924	11,78,51,154
Gratuity Funded Balance (Net)	33,94,921	19,23,196
Trade Advance	5,36,245	-
Advance to Employees	-	10,15,000
Other Advances (Refer Note No. 33)	10,97,088	21,875
Total	4,28,97,178	12,08,11,225



Arshiya Supply Chain Management Private Limited

Notes to Financial Statements for the year ended 31st March, 2015

(Amount in ₹)

	For the Year ended 31st Feb. 2015	For the Year ended 31st March 2014
16. Revenue From Operations		
Sale of Services	68,51,37,199	53,51,66,860
Less: Discount\Rebate	-	5,00,000
Total	68,51,37,199	53,46,66,860
17. Other Income		
Interest	16,71,012	1,34,790
Recovery of Managerial Remnueration	-	1,67,81,902
Acturial Gain on Gratuity Fund	14,71,725	(4,97,692)
Sundry Balances Written Back	-	35,05,549
Excess Provision Written Back	1,26,19,493	89,212
Foreign Exchange Gain/(Loss) (Net)	82,44,718	(1,42,02,140)
Total	2,40,06,948	58,11,621
18. Operating Expenses		
Operating Expenses	49,54,82,306	53,94,06,796
Total	49,54,82,306	53,94,06,796
19. Employee Benefit Expenses		
Salaries and allowances	2,75,31,464	4,77,38,228
Contribution to Provident and other Funds	8,77,488	7,40,106
Staff Welfare Expenses	1,52,859	10,051
Total	2,85,61,812	4,84,88,385
20. Other Expenses		
Insurance Expenses	11,361	12,14,889
Rates & Taxes	5,34,105	1,17,476
Legal & Professional Fees	20,11,500	17,04,794
Bank Charges	18,85,047	24,26,349
Travelling And Conveyance	42,07,845	40,12,161
<u>Remuneration to Auditors</u>		
Audit Fees	8,00,000	5,00,000
Other services	-	3,50,000
Provision for Doubtful Debts	5,74,079	1,40,04,829
Miscellaneous Expenses	27,77,748	52,12,519
Loss on Sale of Fixed Assets	-	3,38,769
Total	1,28,01,685	2,98,81,786
21. Finance Costs		
Interest Expense	14,82,60,866	12,24,85,539
Interest on Delayed Payment of TDS	1,90,37,665	2,08,42,022
Other Borrowing Cost	10,00,000	-
Amortised Ancillary Borrowing Cost	-	2,03,30,137
Total	16,82,98,531	16,36,57,698
22. Exeptional Items		
Bad Debts Written Off	90,97,784	25,85,84,602
Interest on Delayed Payment of TDS Written back	(1,34,57,528)	-
Unpaid Balances Written back	(32,15,050)	-
	(75,74,794)	25,85,84,602



Arshiya Supply Chain Management Private Limited

Notes to financial statements for the year ended 31st March, 2015

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

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

a. Defined Contribution plan

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

Employers' Contribution to Provident fund [Includes Administrative Charges, EDLI charges and Employers' Contribution to Employee's Pension Scheme, 1995]	₹.8,34,528/-
Previous Year	(₹.7,36,926/-)

b. Defined Benefit Plan

The employee's gratuity scheme is managed by a Trust (Life Insurance Corporation of India).

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

I. Changes in the present value of the Defined Benefit Obligation:

Particulars	Gratuity		Leave Encashment (Unfunded)	
	31 st March 2015	31 st March 2014	31 st March 2015	31 st March 2014
Defined Benefit Obligation at beginning of Year	18,20,166	24,19,924	9,91,736	25,22,484
Current Service Cost	6,82,793	9,07,778	2,86,906	6,97,268
Interest Cost	1,69,093	1,93,594	67,916	2,01,799
Benefits Paid	--	(3,72,115)	(5,21,343)	(18,42,734)
Actuarial (Gains)/Losses on Obligation	(15,91,503)	(12,95,988)	(40,491)	(5,18,282)
Liability Transfer from Group Company	--	10,716	-	8,870
Liability Transfer to Group Company	--	(43,743)	-	(77,669)
Closing Defined Benefit Obligations	10,80,549	18,20,166	7,84,724	9,91,736



Arshiya Supply Chain Management Private Limited

Notes to financial statements for the year ended 31st March, 2015

II. Changes in Fair Value of Plan Assets

Particulars	Gratuity	
	31 st March 2015	31 st March 2014
Fair Value of Plan Assets at the beginning of the Year	37,43,362	41,15,477
Expected return	3,25,672	3,58,046
Benefits Paid	-	(3,72,115)
Actuarial Gains/(losses) on Plan Assets	4,06,436	(3,58,046)
Closing Fair Value of Plan Assets at the end of the Year	44,75,470	37,43,362

III. Fair Value of Assets and Liabilities

Particulars	Gratuity		Leave Encashment (Unfunded)	
	31 st March 2015	31 st March 2014	31 st March 2015	31 st March 2014
Present Value of defined benefit obligation	(10,80,549)	(18,20,166)	(7,84,724)	(9,91,736)
Fair value of plan assets	44,75,475	37,43,362	-	NA
Plan Assets/(Liability)	33,94,921	19,23,196	(7,84,724)	(9,91,736)

IV. Net employee Benefit expense recognized in the employee cost

Particulars	Gratuity		Leave Encashment (Unfunded)	
	31 st March 2015	31 st March 2014	31 st March 2015	31 st March 2014
Current Service Cost	6,82,793	9,07,778	2,86,906	6,97,268
Interest cost on benefit obligation	1,69,093	1,93,594	67,916	2,01,799
Expected return on plan assets	(3,25,672)	(3,58,046)	NA	NA
Net actuarial (Gains)/Loss recognized in the year	(19,97,939)	(9,37,942)	(40,491)	(5,18,282)
Net benefit expense/(gain)	(14,71,725)	(1,94,616)	3,14,331	3,80,785



Arshiya Supply Chain Management Private Limited

Notes to financial statements for the year ended 31st March, 2015

V. Principal assumptions

Particulars	Gratuity		Leave Encashment(Unfunded)	
	31 st March 2015	31 st March 2014	31 st March 2015	31 st March 2014
Discount rate	7.80%	9.29%	7.80%	9.29%
Expected rate of return on Plan Assets	9.00%	8.70%	NA	NA
Salary Escalation	7.00%	7.00%	7.00%	7.00%
Attrition Rate	15.00%	10.00%	15.00%	10.00%

24. Disclosure pursuant to Accounting Standard 17 - Segment information

The Company is primarily engaged in providing end to end supply and demand chain solutions to its customers in FTWZ. In the opinion of the Company, the entire business is governed by same set of risks and returns and hence, the same has been considered as representing a single primary segment. The Company provides services within India and hence, doesn't have any operations in economic environments with different risks and returns. Hence, it is considered that the Company is operating in single geographical segment.

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

(i) List of Related Parties with whom transactions have taken place and their Relationship :

Sr. No	Name of Related Party	Relationship
1	Arshiya Limited	Holding Company
2	Arshiya Rail Infrastructure Limited	Fellow Subsidiaries
3	Arshiya Northern FTWZ Limited	
4	Mr. Ajay Mittal - Director (with effect from 28 th August, 2014)	Key Management Personnel (KMP)
5	Mr. Navnit Choudhary - Director	
6	Mr. Ranjit Ray - Director	
7	Welldone Software Consultancy Private Limited	Other Related Party

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



Arshiya Supply Chain Management Private Limited

Notes to financial statements for the year ended 31st March, 2015

- (ii) **Summary of significant Related Party Transactions (as identified by the Management) carried out in the ordinary course of business are as follows:**
(Amount in ₹)

Sr. No	Nature of Transactions	Holding Company	Fellow Subsidiary	Other Related Party	Key Management Personnel	Total
1	Purchases of Services	33,46,35,555 (32,72,33,020)	2,04,51,613 (7,98,13,294)	-- (--)	-- (--)	35,50,83,168 (40,70,46,314)
2	Recovery of Managerial Remuneration paid in Previous year	-- (--)	-- (--)	-- (--)	-- (1,67,84,402)	-- (1,67,84,402)
3	Security Deposit Given	26,00,00,000 (--)	-- (--)	1,50,00,000 (--)	-- (--)	27,50,00,000 (--)
4	Corporate Guarantee Received	-- (1,00,00,00,000)	-- (--)	-- (--)	-- (--)	-- (1,00,00,00,000)
5	<u>Transfer of Employees Liability</u>					
(a)	Transfer From	-- (19,586)	-- (--)	-- (--)	-- (--)	-- (19,586)
(b)	Transfer To	-- (1,21,412)	-- (--)	-- (--)	-- (--)	-- (1,21,412)
6	Equity Shares Issued	-- (40,99,99,920)	-- (11,49,08,88)	-- (--)	-- (--)	-- (5,24,90,88,800)
7	Loan Received	-- (21,41,25,850)	10,09,500 (--)	-- (--)	-- (--)	10,09,500 (21,41,25,850)
8	Loan Repaid (Net of Reimbursement of Expenses)	9,560,891 (21,48,82,089)	-- (--)	-- (--)	-- (--)	49,17,27,797 (21,48,82,089)
	Balance as at 31st March, 2015					
9	Loan Payable	-- (95,60,891)	10,09,500 (--)	-- (--)	-- (--)	10,09,500 (95,60,891)
10	Trade Payable	2,86,152 (11,97,29,613)	14,59,69,152 (10,26,30,337)	-- (--)	-- (--)	14,61,55,304 (22,23,59,950)
12	Security Deposit	26,20,00,000 (20,00,000)	-- (--)	1,50,00,000 (--)	-- (--)	27,70,00,000 (20,00,000)
13	Corporate Guarantee Given	1,15,00,00,000 (1,15,00,00,000)	-- (--)	-- (--)	-- (--)	1,15,00,00,000 (1,15,00,00,000)
14	Corporate Guarantee Received	1,85,00,00,000 (1,85,00,00,000)	-- (--)	-- (--)	-- (--)	(1,85,00,00,000) (1,85,00,00,000)

Note: Figures in brackets represent those of previous year



Arshiya Supply Chain Management Private Limited

Notes to financial statements for the year ended 31st March, 2015

26. Disclosure pursuant to Accounting Standard 19 – Leases

Operating Lease

The company has entered into agreements for allotment of pallet positions at FTWZ Sai Village, Panvel, Maharashtra belonging to its Holding Company, Arshiya Limited and at FTWZ, District Bulandshahar, Khurja, Uttar Pradesh belonging to its Fellow Subsidiary, Arshiya Northern FTWZ Limited.

(Amount in ₹)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Lease Payments recognized in the Statement of Profit and Loss	27,04,38,940	36,17,18,172
Future Lease Payments		
(a) Not later than one year.	27,30,10,685	37,89,00,000
(b) Later than one year but not later than five years	11,50,03,279	38,80,13,964
(c) Later than five years.	NIL	NIL
Total of future lease payments.	38,80,13,964	76,69,13,964

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

(Amount in ₹)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Net Profit/(Loss) after tax as per Statement of Profit & Loss	6,69,48,400	(2,21,80,18,476)
Weighted Average Number of Equity Shares outstanding during the year	37,87,120	16,05,992
Face Value per Share	₹10	₹10
Basic and Diluted Earnings Per Share	₹ 17.68	₹ (1,381.09)

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

Deferred Tax :

Deferred Tax Assets consist of substantial amounts of carry forward losses and unabsorbed depreciation under the Income Tax Act, 1961. However, since the availability of sufficient future taxable income against which the said benefits can be set off is not possible to be ascertained with virtual certainty, the Deferred Tax Assets have not been recognized as a measure of abundant caution.



Arshiya Supply Chain Management Private Limited

Notes to financial statements for the year ended 31st March, 2015

29. Going Concern Assumption.

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

- (a) The Company having turned the corner by reporting a profit before tax of Rs. 1,03,95,547/-
- (b) Increase in volume of business of the Company by providing services to the clients in Free Trade Warehousing Zones(s) (FTWZ) at Panvel and Khurja, owned by the Holding Company and a Fellow Subsidiary respectively;
- (c) The future business prospects expected on account of Inland Container Depot (ICD) being set up by a Fellow Subsidiary.

30. Details of dues to Micro Small and Medium enterprises as defined under the MSMED Act, 2006

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosures, if any, relating to amounts unpaid as at the year-end together with interest payable as required under the said Act have not been given.

31. Tax Deducted at Source

During the year,

- (a) The Company had deducted income tax at source (TDS) aggregating to Rs.5,11,65,793/- during the earlier years from the amounts payable to various parties. The Company has not paid the said TDS to the government on assumption that such parties would have paid their income tax dues on the income declared by them in the respective years. Accordingly, during the year, the Company has transferred an amount of Rs. 5,11,65,793/- back to the respective parties.
- (b) The Company has written back an aggregate amount of Rs.1,34,57,527/- representing interest on unpaid tax deducted at source provided in earlier years on the premise that since the corresponding tax deducted is not payable as mentioned in Note no. (a) above, interest thereon is not payable.

32. Depreciation:

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after 1st April, 2014, the Company has re-worked depreciation with reference to the useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act. Where the remaining useful life of asset is nil, the carrying amount of the assets after retaining the residual value, as at 1st April, 2014 amounting to Rs. 16,26,923/- has been adjusted to the balance of surplus in Statement of Profit and Loss. In other cases the carrying



Arshiya Supply Chain Management Private Limited

Notes to financial statements for the year ended 31st March, 2015

values have been depreciated over the remaining useful lives of the assets and recognized in the Statement of Profit and Loss. As a result the charge for depreciation is lower by Rs. 74,015/- for the year ended 31st March 2015.

33. Other Advances include Rs.10,65,300/- being cash seized by the Income Tax Department at the time of search on 13th June, 2014. The company shall be lodging necessary claim for refund of the same as according to it:
- (i) It was not a "person" under search under section 132(1) of the Income Tax Act, 1961.
 - (ii) The said cash on hand was duly accounted for in its books of accounts and tallied with balance on hand as on date of search.

34. Information pursuant to para 5(viii) of Revised Schedule VI of the Companies Act, 2013

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

Particulars	Amount in Foreign Currency			Amount in Domestic Currency (₹)	
	Currency	As at 31 st March 2015	As at 31 st March 2014	As at 31 st March 2015	As at 31 st March 2014
Accounts Receivable	USD	32,14,855	22,78,030	19,82,27,966	13,45,62,920
Accounts Receivable	EURO	57,656	25,790	38,24,908	20,98,016
Accounts Payable	USD	NIL	NIL	NIL	NIL
Accounts Payable	EURO	NIL	NIL	NIL	NIL
Security Deposit Payable	USD	34,715	46,555	21,40,553	27,56,495
Security Deposit Payable	EURO	3,609	10,657	2,39,435	8,66,931

35. Additional Information pursuant to Schedule VI of the Companies Act, 2013.

a. Earnings in Foreign Currency (On Accrual Basis)

(Amount in ₹)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Income from FTWZ and related services	64,94,18,494	53,46,66,860



Arshiya Supply Chain Management Private Limited

Notes to financial statements for the year ended 31st March, 2015

36. Contingent Liability not provided for in respect of:

(Amount in ₹)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Corporate Guarantee given to a non-banking finance company in respect of loan taken by the Holding Company.	1,15,00,00,000	1,15,00,00,000

37. Outstanding balances in respect of Trade Receivables, Loans and Advances, Trade Payables and Other liabilities other than due from/to Holding/Fellow Subsidiaries are subject to confirmation. Adjustments, if any, shall be made in the accounts of the year in which such differences are accepted.
38. In the opinion of the Board of Directors, Current Assets, Non-Current Assets Loans and Advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in Balance Sheet. Provision has been made for all known liabilities and the same is adequate and not in excess of the amount considered reasonably necessary.
39. The Management has evaluated the recoverability aspects from it's customers. Based on such evaluation it has decided to write-off the irrecoverable amount of Rs. 90,97,784/- (Previous Year Rs. 25,85,84,602/-)
40. The Company is of the view that the provisions of Section 185 of the Companies Act, 2013 as regards inter Company advances/loans/guarantees granted/received to/from group companies are not applicable, as the same are provided/received in the normal course of business.



Arshiya Supply Chain Management Private Limited

Notes to financial statements for the year ended 31st March, 2015

- 41.** Previous year's figures have been regrouped, rearranged, reclassified wherever necessary to conform to those of current year's presentation.

Signatures to Notes forming part of Financial Statements.

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



Mukul Patel
Partner



Place: Mumbai.
Date: 15th May. 2015

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



Ajay S. Mittal
Director
DIN : 00226355



Navnit Choudhary
Director
DIN : 00613576





Arshiya Transport and Handling Limited

Financial Statement for the

Financial Year 2014-15



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Members of Arshiya Transport And Handling Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of **ARSHIYA TRANSPORT AND HANDLING LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
- and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

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

- (a) The Company has been incurring cash losses, whereby the Net Worth has been completely eroded. (Refer Note No. 17)
- (b) Non generation of adequate revenue to ensure regular payment of expenses, statutory dues inclusive of Tax Deducted at Source and repayment of loan from Holding Company.
Despite the foregoing, these accounts have been prepared on a going concern basis as explained in Note no. 18 in view of the following:
 - (i) Amalgamation of the Company (Subject to Courts Approval) with fellow subsidiary companies (Note no. 19).
 - (ii) Revival Plans proposed to be implemented by the Management to improve the operations. (Note No. 20).

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



Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion the aforesaid financial statements comply with accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f. 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 company does not have any pending litigation which would impact its financial position.
 - ii. The company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

MUKUL M. PATEL
Partner
Membership No. 32489



Place: Mumbai
Date: 15th May, 2015

Annexure to the Independent Auditors' Report

As referred to in Annexure to the Independent Auditors 'Report to the members of the Company on the financial statements for the year ended 31st March 2015, we report that :

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- ii. The nature of the business of the Company does not require it to purchase any inventory and hence, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans to any party, covered in the register maintained under section 189 of the Companies Act, 2013 and hence clause 3(iii) of the Order is not applicable
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase fixed assets and sale of services. We have not noticed any major weaknesses in the internal control system during the course of audit.
- v. The Company has not accepted any deposits and hence, the directions of the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provision of the Companies Act 2013 and its rules, are not applicable.
- vi. According to the information and explanations obtained, the Company is not required to maintain cost records as prescribed under Section 148(1) of the Act pursuant to the Companies (Cost Accounting Records) Rules 2013 notified by the Central Government of India vide notification dated 1 April 2014.
- vii. (a) The Company is generally regular in depositing undisputed applicable statutory dues, except, tax deducted at source of Rs.14,61,127/- which is outstanding as of the year-end for a period of more than six months from their due dates of payment.
(b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
(c) According to the information and explanations given to us there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Hence clause 3(vii)(c) of the Order is not applicable.



- viii. *The accumulated losses of the Company are more than 50% of its net worth. The Company has incurred cash losses during the year and in the immediately preceding financial year.*
- ix. The Company did not have any dues to banks, financial institution and debenture holders during the year. Hence, provisions of clause 3(ix) of the Order are not applicable to the Company.
- x. According to information and explanations given to us, the Company has not given guarantee for loan taken by others from banks or financial institutions. Hence, provisions of clause 3(x) of the Order are not applicable to the Company
- xi. According to information and explanations given to us, the Company has not taken any term loan during the year and hence, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii. To the best our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of Companies operations, no fraud of material significance on or by the Company has been noticed or reported during the year.

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



Mukul M. Patel
Partner
Membership No. 32489

Place: Mumbai

Date: 15th May, 2015.

Arshiya Transport and Handling Limited**Balance Sheet as at 31st March 2015**

(Amount in ₹)

	Notes	As At 31st March 2015	As At 31st March 2014
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	3	5,00,000	5,00,000
Reserves & Surplus	4	(10,53,69,640)	(10,09,51,727)
NON-CURRENT-LIABILITIES			
Long -Term Borrowings	5	10,38,37,371	10,04,85,825
CURRENT LIABILITIES			
Trade Payables	6	4,02,690	13,36,547
Other Current Liabilities	7	23,80,488	25,32,631
Total		17,50,909	39,03,276
ASSETS			
NON-CURRENT ASSETS			
FIXED ASSETS			
Tangible assets	8	3,074	5,20,826
LONG TERM LOANS AND ADVANCES	9	-	8,570
CURRENT ASSETS			
Trade Receivables	10	16,74,800	26,56,800
Cash and Cash Equivalents	11	73,035	7,17,080
Total		17,50,909	39,03,276

Summary of Significant Accounting Policies

2

See accompanying notes to the financial statements

1-28

As per our report of even date

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

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

Partner
Name: Mukul Patel
 Membership No.: 32489
 Place: Mumbai
 Date : 15th May, 2015



(Signature)

Ajay S Mittal
 Director
 DIN No.00226355

(Signature)

Navnit Choudhary
 Director
 DIN No.00613576



Arshiya Transport and Handling Limited**Statement of Profit and Loss for the year ended 31st March 2015**

(Amount in ₹)

Particulars	Notes	For The Year Ended 31st March 2015	For The Year Ended 31st March 2014
INCOME:			
Revenue from Operations	12	-	26,56,800
Other Income	13	-	2,31,582
Total Revenue		-	28,88,382
EXPENDITURE:			
Operating Expenses	14	-	10,22,000
Finance Cost	15	2,81,645	3,98,047
Depreciation	8	1,62,528	1,40,620
Other Expenses	16	36,18,516	1,66,889
Total Expenses		40,62,688	17,27,556
Profit/(Loss) Before Adjustments		(40,62,688)	11,60,826
Prior Period Expenses		-	37,275
		(40,62,688)	11,23,551
Tax expenses :			
<u>Reversal of:</u>			
Deferred Tax Liability		-	(1,65,698)
Profit / (Loss) for the year		(40,62,688)	12,89,249
Earning Per Equity Share of Face Value of ₹ 10 each Basic & Diluted		(81.25)	25.78

Summary of Significant Accounting Policies

2

See accompanying notes to the financial statements

1-28

As per our report of even date

For M.A.Parikh & Co.

Chartered Accountants

Firm Registration No. 107556W

For and on behalf of Board of Directors of

Arshiya Transport and Handling Limited

Partner

Name: Mukul Patel

Membership No.: 32489

Place: Mumbai

Date : 15th May, 2015



Ajay S Mittal

Director

DIN No.00226355

Navnit Choudhary

Director

DIN No.00613576



Arshiya Transport and Handling Limited

Cash Flow Statement for the year ended 31st March, 2015

(Amount in ₹)

	Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
A.	CASH FLOWS FROM OPERATING ACTIVITIES :		
	Profit/(Loss) before Tax as per Statement of Profit and Loss	(40,62,688)	11,23,551
	Adjusted for:		
	Depreciation	1,62,528	1,40,620
	Fixed Assets Discarded	-	12,837
	Finance Charges	2,81,645	3,98,047
	Operating Loss before Working Capital Changes	(36,18,515)	16,75,055
	Adjusted for:		
	Increase/(Decrease) in Current Liabilities	(1,52,143)	(9,44,890)
	(Increase)/Decrease in Trade Payables	(9,33,857)	11,06,674
	(Increase)/Decrease in Trade Receivables	9,90,570	(24,40,255)
	Tax Payments	-	(2,070)
	Net Cash from Operating Activities	(37,13,946)	(6,05,486)
B.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Long Term Loan obtained (net)	33,51,547	9,67,525
	Finance Charges	(2,81,645)	(3,98,047)
	Net Cash from Financing Activities	30,69,902	5,69,478
	Net Increase/(Decrease) in Cash & Cash Equivalent (A+B)	(6,44,044)	(36,009)
	Opening balance of of cash and cash equivalent	7,17,080	7,53,089
	Less : Net Increase/(Decrease) in Cash & cash Equivalent	(6,44,044)	(36,009)
	Closing balance of of cash and cash equivalent	73,036	7,17,080

Notes:

Previous Year's figure are regrouped , reclassified wherever considered necessary.

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

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

Mukul Patel

Partner
Name: Mukul Patel
Membership No.: 32489
Place: Mumbai
Date : 15th May, 2015



Ajay S Mittal

Ajay S Mittal
Director
DIN No.00226355

Navnit Choudhary

Navnit Choudhary
Director
DIN No.00613576



Arshiya Transport and Handling Limited

Notes to financial statements for the year ended 31st March 2015

1 Corporate Information

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

2 Summary of significant accounting policies

(a) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on an accrual basis of accounting and in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") and are in conformity with mandatory accounting standards, as specified in the Companies (Accounting Standards) Rules, 2006 as prescribed by the Central Government and the relevant provisions of the Companies Act, 2013.

(b) Use of Estimates

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

(c) Fixed Assets

- i. Fixed assets are stated at original cost of acquisition / installation (net of cenvat credit availed) less accumulated depreciation, amortization and impairment losses, if any.
- ii. Intangible assets are carried at cost less accumulated amortization and impairment losses. The capitalised cost of software includes license fees, cost of implementation and system integration services. These costs are capitalised as intangible assets in the year in which related software is implemented.

(d) Depreciation and Amortization

- i. Depreciation on fixed assets is as per provisions of the Companies Act, 2013.
- ii **Tangible Assets**
Depreciation on all Tangible Assets is provided on the Straight Line Method in accordance with Schedule II to the Companies Act, 2013

(e) Revenue Recognition

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

Income from Services

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



Arshiya Transport and Handling Limited

Notes to financial statements for the year ended 31st March 2015

(f) Retirement and Other employee benefits

Employee benefits include provident fund, Employee State Insurance fund, gratuity fund and leave encashment entitlements.

i. Defined Contribution Plan

Contributions to defined contribution scheme such as provident fund and State Plans viz. Employees' State Insurance Fund are charged to the Profit and Loss as and when incurred.

ii. Other Employee Benefits

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

(g) Taxes on Income

i. Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961.

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

(h) Earnings per Share (EPS)

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

(i) Provisions, Contingent Liability and Assets

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

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

Contingent Assets are not recognized or disclosed in the financial statements.

Note:

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



(Amount in ₹)

3: Share Capital	As at 31st Mar 2015	As at 31st Mar 2014
Authorised 50,000 (Previous Year -50,000) Equity Shares of ₹ 10/- each	5,00,000	5,00,000
Issued, Subscribed and fully paid-up 50,000 (Previous Year -50,000) Equity Shares of ₹ 10/- each fully paid-up	5,00,000	5,00,000
Total	5,00,000	5,00,000

(a) Terms/rights attached to the Equity Shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The shareholders who held shares on the record date are entitled to dividend as may be proposed by the Board of Directors and is subject to approval of the Shareholders in the ensuing General Meeting.

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

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

Particulars	Type of Shares	As at 31st March 2015		As at 31st March 2014	
		Number	₹	Number	₹
At the beginning of the year	Equity Shares	50,000	5,00,000	50,000	5,00,000
Addition during the year		-	-	-	-
At the close of the year	Equity Shares	50,000	5,00,000	50,000	5,00,000

(c) Shares held by the Holding Company

(Amount in ₹)

Name of the Shareholder	As at 31st March 2015	As at 31st March 2014
Arshiya Limited *	50,000	50,000
Total	50,000	50,000

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

(Amount in ₹)

Name of the Shareholder	As at 31st March 2015	As at 31st March 2014
Arshiya Limited * (100%)	50,000	50,000
Total	50,000	50,000

* Notes :-

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

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



	As at 31st Mar 2015	(Amount in ₹) As at 31st Mar 2014
4. Reserves & Surplus		
Surplus in the Statement of Profit & Loss		
Opening Balance	(10,09,51,727)	(10,22,40,976)
Profit/(Loss) for the year	(40,62,688)	12,89,249
	<u>(10,50,14,415)</u>	<u>(10,09,51,727)</u>
Less:		
Adjustment for Depreciation (Refer Note No 21)	3,55,224	-
Total	<u>(10,53,69,640)</u>	<u>(10,09,51,727)</u>
5. Long -Term Borrowings		
Interest free unsecured Loan from Holding Company.	10,38,37,371	10,04,85,825
Total	<u>10,38,37,371</u>	<u>10,04,85,825</u>
Note: Repayable within 5 years or mutual consent of both parties in case of prepayment.		
6. Trade Payables		
Trade Payables (Refer Note No. 26)	4,02,690	13,36,547.00
Total	<u>4,02,690</u>	<u>13,36,547</u>
7. Other Current Liabilities		
Salary Payable	1,51,156	1,51,156
Statutory Dues	15,21,807	19,16,282
Interest Payable on delayed payment of Statutory Dues	7,07,525	4,65,193
Total	<u>23,80,488</u>	<u>25,32,631</u>



Arshiva Transport and Handling Limited
Notes to financial statements for the year ended 31st March, 2015

8: FIXED ASSETS

DESCRIPTION	GROSS BLOCK		DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2014	Deletion during the year	As at 31.03.2015	As at 01.04.2014	Depreciation during the year	Adjusted during the year	As at 31.03.2015	As at 31.03.2014
Tangible Assets								
Computers	8,67,495	-	8,67,495	3,46,669	1,62,528	3,55,224*	8,64,421	5,20,826
Previous Year	8,88,631	21,136	8,67,495	2,14,348	1,40,620	8,299	3,46,669	5,20,827

* Adjustment is as per part C of Schedule II of the Companies Act 2013. (Refer Note No. 21)



Arshiya Transport and Handling Limited**Notes to financial statements for the year ended 31st March, 2015**

	As at 31st Mar 2015	(Amount in ₹) As at 31st Mar 2014
9. Long Term Loans & Advances		
(Unsecured - Considered Good)		
TDS Receivable	-	8,570
Total	-	8,570
10. Trade receivables		
Unsecured		
Debts outstanding for period exceeding six months.		
Considered good	16,74,800	-
Other Debts	-	26,56,800
Total	16,74,800	26,56,800
11. Cash and Cash Equivalents		
Balance with Banks	73,035	7,17,080
Total	73,035	7,17,080
12. Revenue From Operations		
Sale of Services - Handling & Transportation Income	-	26,56,800
Total	-	26,56,800
13. Other Income		
Miscellaneous Income	-	2,31,582
Total	-	2,31,582
14. Operating Expenses		
Handling & Transportation Expenses	-	10,22,000
Total	-	10,22,000



Arshiya Transport and Handling Limited**Notes to financial statements for the year ended 31st March, 2015**

	(Amount in ₹)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
15. Finance Cost		
Interest on delayed payment of statutory dues	2,81,383	3,62,699
Bank Charges	262	35,348
Total	2,81,645	3,98,047
16. Other Expenses		
Legal and Professional Expenses	35,10,288	63,708
Rates and Taxes	2,500	-
Remuneration to Auditors		
Audit Fee	56,180	56,180
Other Services	5,618	-
Miscellaneous Expenses	43,930	47,001
Total	36,18,516	1,66,889



Arshiya Transport and Handling Limited

Notes to financial statements for the year ended 31st March 2015

- 17 The Company has been incurring cash losses, whereby the Net Worth has been completely eroded. However, the Management hopes to optimise the benefits from the successful implementation of the Revival Plan as stated in Note no. 19 within a period of 3 to 5 years, by recoupment of losses.

18 Preparation of Accounts on "Going Concern" basis

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

- (a) The Scheme of Amalgamation under section 391/394 of the Companies Act, 1956 of amalgamation of Arshiya Industrial & Distribution Hub Limited and Arshiya Northern FTWZ Limited (amalgamating companies) with the Company.
- (b) The Restructuring of the Business Operations of the amalgamating companies as detailed in Note No. 19.
- (c) The expectations of the Management to optimise the benefits from the successful implementation of the Revival Plan as referred to in note no. 19, within a period of 3 to 5 years of completion of the requisite formalities.

19 Scheme of Amalgamation:

- (a) The Board of Directors of the Company at its meeting held on 24.01.2014 approved the Scheme of Amalgamation (the Scheme) under Section 391/394 of the Companies Act, 1956 of amalgamation of Arshiya Industrial & Distribution Hub Limited and Arshiya Northern FTWZ Limited (amalgamating companies) with the Company. The Equity Shareholders of the respective Companies have approved the scheme.
- (b) **The Scheme inter-alia provides that:**
- (i) On and from 01.01.2014 (the appointed date), the entire businesses and the whole of the undertakings of the amalgamating companies as "Going Concerns" with all assets, properties and liabilities shall stand transferred and vested in the Company.
- (ii) The Company shall issue and allot 1 (one) fully paid equity share of Rs. 10/- each for every equity share of Rs. 10/- each held by the shareholders of the amalgamating companies as consideration.
- (iii) The transactions between the "appointed date" i.e. 1st January 2014 and effective date in the hands of the amalgamating companies shall be for and on behalf of the Company.
- (c) The Scheme is filed with Hon. High Court of Bombay on 27.03.2014 and is pending for approval.

20 Revival Plans

The Management expects to revive and revamp the business operations of the Company by:

- (a) Amalgamation of Arshiya Northern FTWZ Limited and Arshiya Industrial & Distribution Hub Limited as referred to in Note no. 18.
- (b) Further, development of existing FTWZ activities and setting up Inland Container Depot (ICD) facilities.
- 21 Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after 1st April, 2014, the Company has re-worked depreciation with reference to the useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act. Where the remaining useful life of asset is nil, the carrying amount of the assets after retaining the residual value, as at 1st April, 2014 amounting to Rs. 3,55,224/- has been adjusted to the balance of surplus in Statement of Profit and Loss. In other cases the carrying values have been depreciated over the remaining useful lives of the assets and recognized in the Statement of Profit and Loss. As a result the charge for depreciation is higher by Rs. 21,907/- for the year ended 31st March 2015.
- 22 In absence of virtual certainty of generating adequate future taxable income, Deferred Tax Asset for the year is not recognised.
- 23 Outstanding balances in respect of Trade Receivables, Loans and Advances, Trade Payables and Other liabilities other than due from/to Holding Company are subject to confirmations and adjustment, if any, upon acceptance of the ascertained differences, if any, on reconciliation.



Arshiya Transport and Handling LimitedNotes to financial statements for the year ended 31st March 2015**24 Earnings per Share (EPS) – Basic / Diluted**

(Amount in ₹)

Particulars	Year Ended 31.3.2015	Year Ended 31.3.2014
(Loss) / Profit after tax as per Statement of Profit & Loss	(40,62,688)	12,89,249
Number of Equity Shares	50,000	50,000
Face Value of Per Share	10	10
Basic/Diluted Earnings Per Share	(81.25)	25.78

25 Related Party Disclosures and Transactions

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

Arshiya Limited	Holding Company
Mr. Ajay S. Mittal Mr. Navnit Choudhary	Key Management Personnel

Note: Related parties are as identified by the management and relied upon by the Statutory Auditors.

The following table provides the information as regards transactions with Holding Company during the financial year ended 31st March 2015. There are no transactions with any of the Fellow Subsidiaries.

(Amount in ₹)

Nature of Transactions	Holding Company	
	31-Mar-15	31-Mar-14
Unsecured Loan		
-Loan Received	33,51,547	12,80,363
-Loan Repaid	-	3,26,639
Reimbursement of Expenses	-	13,800
Balances as at year end		
Unsecured Loan	10,38,37,371	10,04,85,825



Arshiya Transport and Handling Limited

Notes to financial statements for the year ended 31st March 2015

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

The Company has not received any intimation from "suppliers" regarding the status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosures, if any, relating to amounts unpaid as at the year-end together with interest payable as required under the said Act have not been given.

27 Taxation

In the absence of taxable income for the year, provision for taxation has not been made.

28 Previous year's figures have been regrouped, reclassified, rearranged and recast wherever necessary to conform to those of current year presentation.

Signatures to Notes forming part of Financial Statements

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

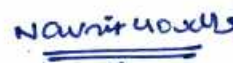
For and on behalf of Board of Directors of
Arshiya Transport and Handling Limited



Partner
Name: Mukul Patel
Membership No.: 32489
Place: Mumbai
Date : 15th May, 2015



Ajay S Mittal
Director
DIN No.00226355



Navnit Choudhary
Director
DIN No.00613576





Arshiya Industrial & Distribution Hub Limited

Financial Statement for the

Financial Year 2014-15



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Members of
ARSHIYA INDUSTRIAL & DISTRIBUTION HUB LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Arshiya Industrial & Distribution Hub Limited** ("**the Company**"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company



has in place an adequate internal financial control systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

1. The Company continues to be under severe financial stress as reflected by:
 - (a) All the secured borrowings turning into Non Performing Assets (refer Note no. 30).
 - (b) Substantial Creditors remaining outstanding to be paid.
 - (c) Unpaid full and final employees' dues amounting to Rs. 9,528,971/-.
 - (d) Unpaid statutory dues amounting to Rs. 31,670,445/-.

Despite the foregoing, these accounts have been prepared on a going concern basis as referred to in note no. 28 in view of the following:

- (i) Amalgamation of the Company (subject to Courts' approval) with its fellow subsidiary (Note no. 29).
 - (ii) "Corporate Debt Restructuring" approved by the Secured Lenders (Banks) (Note no 30).
 - (iii) Revival Plans proposed to be implemented by the Management to improve operations. (Note No. 32).
 2. Further to above, we draw attention to the following Notes to the Financial Statements:
 - (i) Note No. 33 Re. Tax Deducted at Source;
 - (ii) Note No. 34 Re. Fixed Assets;
 - (iii) Note No. 36 Re. Capital Work In Progress; and
 - (iv) Note No. 38 Re. Loans/Guarantees granted/received.
- Our Opinion is not modified in respect of these matters.



Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

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

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion the aforesaid financial statements comply with accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164(2) of the Act; and
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer to Note Nos. 26 (a) and 40 to the financial statements;
 - ii. The company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



Mukul Patel

Mukul Patel
Partner
Membership No. 032489

Place: Mumbai
Date: 15th May, 2015

Annexure to the Independent Auditors' Report

As referred to in the Annexure to the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2015, we report that :

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
- ii. The nature of the business of the Company does not require it to purchase inventory and hence, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 4 iii(b) to 4 iii(g) of the Order are not applicable to the Company.
- iv. In our opinion and according to information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of Fixed Assets and sale of Services. During the course of our audit, we have not observed any major weakness in such internal control system. Further, the activities carried on by the Company do not require purchase of inventory and sale of goods.
- v. The Company has not accepted any deposits and hence, the directions of the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provisions of the Companies Act 2013 and its rules, are not applicable. Hence clause 3(v) of the Order is not applicable.
- vi. According to the information and explanations obtained, the Company is not required to maintain cost records as prescribed under Section 148(1) of the Act pursuant to the Companies (Cost Accounting Records) Rules 2013 notified by the Central Government of India vide notification dated 1 April 2014.
- vii. (a) The Company is generally regular in depositing undisputed applicable statutory dues, save and except, income tax deducted at source, works contract tax and entry tax. The arrears of such outstanding as of the year-end for a period of more than six months from their due dates of payment are Rs. 29,404,854/-, Rs.381,633/- and Rs.853,762/- respectively.
(b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
(c) According to the information and explanations obtained, the Company does not have any amount which is pending to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made thereunder.
- viii. Accumulated losses at the end of the financial year are not less than 50% of its net worth. The Company has incurred cash losses during the year and in the immediately preceding financial year.



- ix. The Company has not issued any debentures. Based on our audit procedures and according to the information and explanations given by the management, during the year, the Company, taking into account approved Corporate Debt Restructuring Package, has defaulted in repayment of dues to Banks and a Financial Institution, the defaults whereof are stated hereunder:

default on account of non payment of interest is stated as under :

Period of Default	Banks	
	Term Loans	FITL
Apr-14	5,048,334	4,678,243
May-14	31,267,248	5,273,690
Jun-14	37,263,255	5,153,862
Jul-14	38,636,199	5,290,574
Aug-14	39,176,706	6,486,468
Sep-14	38,327,853	6,305,814
Oct-14	39,819,632	6,471,618
Nov-14	38,840,222	6,310,642
Dec-14	40,497,760	6,579,953
Jan-15	40,876,109	6,641,426
Feb-15	37,265,283	6,054,750
Mar-15	41,606,142	6,760,040
Total	428,624,743	7,200,7081

default on account of non payment of principal amount is stated as under :

Period of Default	Banks	
	Term Loans	FITL
Nov-14	52,868,688	6,597,959
Dec-14	52,868,688	6,597,959
Jan-15	52,868,688	6,597,959
Feb-15	52,868,688	6,597,959
Mar-15	52,868,688	6,597,959
Total	264,343,442	32,989,795

- x. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution and hence the provisions of clause 3 (x) of the Order are not applicable to the Company.
- xi. During the year, no term loans have been obtained by the Company. Hence, the provisions of clause 3(xi) of the Order are not applicable to the Company.



- xii. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud of material significance on or by the Company has been noticed or reported during the year.

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



Mukul Patel
Partner
Membership No. 032489

Place: Mumbai
Date: 15th May, 2015

Arshiya Industrial & Distribution Hub Limited

Balance Sheet as at 31st March-2015

(Amount in ₹)

	Notes	As at Year 31st March, 2015	As at Year 31st March, 2014
I. Equity and Liabilities			
1. Shareholder's Funds			
(a) Share Capital	4	14,99,29,950	14,99,29,950
(b) Reserves and Surplus	5	2,01,40,90,279	2,75,18,44,287
		2,16,40,20,229	2,90,17,74,237
2. Non-Current Liabilities			
(a) Long Term Borrowings	6	4,13,16,58,002	4,42,20,69,738
(b) Long Term Provisions	7	4,91,166	3,37,876
		4,13,21,49,168	4,42,24,07,614
3. Current Liabilities			
(a) Trade Payables	8	62,79,539	53,76,489
(b) Other Current Liabilities	9	1,27,55,02,488	43,18,10,857
(c) Short Term Provisions	7	44,07,177	13,63,155
		1,28,61,89,204	43,85,50,501
Total		7,58,23,58,601	7,76,27,32,352
II. Assets			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	7,42,87,09,771	7,59,19,95,055
(ii) Intangible Assets	11	3,74,757	10,16,948
(iii) Capital Work-In-Progress		3,90,55,683	4,78,77,113
		7,46,81,40,211	7,64,08,89,116
(b) Long Term Loans and Advances	12	80,41,325	42,27,125
		7,47,61,81,536	7,64,51,16,241
2. Current assets			
(a) Trade Receivables	13	20,72,247	1,49,856
(b) Cash and Bank Balances	14	3,88,254	1,42,29,439
(c) Short-Term Loans and Advances	12	10,37,16,564	10,32,36,816
		10,61,77,065	11,76,16,111
Total		7,58,23,58,601	7,76,27,32,352
Summary of Significant Accounting Policies	3		

See accompanying notes to the financial statements

As per our report of even date attached

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

Mukul Patel
Partner
Mem. No. 32489



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

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

(Signature of Ajay S Mittal)

(Signature of Navnit Choudhary)

Place: Mumbai
Date: 15th May, 2015



Arshiya Industrial & Distribution Hub Limited

Statement of Profit and Loss for the year ended on 31st March, 2015

(Amount in ₹)

Particulars	Notes	Year ended March 31, 2015	Year ended March 31st, 2014
I Revenue From Operations	15	18,00,000	13,09,430
II Other Income	16	25,94,665	14,60,764
III Total Revenue		43,94,665	27,70,194
IV Expenses:			
Cost of Operations	17	5,05,620	3,03,155
Employee Benefits Expense	18	1,54,88,103	4,86,63,764
Finance Costs	19	54,72,65,110	48,33,10,417
Depreciation and Amortization Expenses (Refer Note No. 35)	10 & 11	16,36,18,233	12,82,51,989
Other Expenses	20	1,12,17,217	3,87,86,804
Total Expenses		73,80,94,283	69,93,16,129
V (Loss) before exceptional items (III - IV)		(73,36,99,618)	(69,65,45,935)
VI Exceptional items (Refer Note No. 37)		37,45,149	(5,14,52,048)
VII (Loss) for the year (V - VI)		(73,74,44,767)	(64,50,93,887)
Earnings per equity share: (Refer Note No. 24)			
(1) Basic		(49.19)	(57.12)
(2) Diluted		(49.19)	(57.12)
Face value per share - Rs 10			

See accompanying notes to the financial statements

As per our report of even date attached

For M.A. Parikh & Co.

Chartered Accountants

Firm Reg. No. 107556W

For and on behalf of the Board of Directors of

Arshiya Industrial & Distribution Hub Limited

Mukul Patel

Mukul Patel

Partner

Mem. No. 32489



Ajay S Mittal

Ajay S Mittal

Director

DIN : 00226355

Navnit Choudhary

Navnit Choudhary

Director

DIN : 00613576



Place: Mumbai

Date: 15th May, 2015

Arshiya Industrial & Distribution Hub Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	(Amount in ₹)	
	Year Ended 31st March 2015	Year Ended 31st March 2014
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before tax	(73,74,44,767)	(64,50,93,887)
Adjustment for :		
Depreciation/Amortisation	16,36,18,233	12,82,51,989
Capital Work in Progress Written off (Refer Note No. 36(a))	82,07,055	-
Unpaid Balances written back	(39,35,637)	-
Interest on delayed payment of TDS written back (Refer Note No. 33)	(5,26,269)	-
Finance Expense	54,72,65,110	48,33,10,417
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(2,28,16,275)	(3,35,31,481)
Movement in working capital		
Increase/(decrease) in Trade Payable	9,03,050	(2,62,467)
Increase/(decrease) in Short Term Provision	30,44,022	(23,64,620)
Increase/(decrease) in Long Term Provision	1,53,290	(23,39,904)
Increase/(decrease) in Other Current Liabilities	(75,77,130)	(1,97,26,308)
(Increase)/decrease in Trade Receivable	(19,22,391)	23,51,683
(Increase)/decrease in Long Term Loan and Advances	(38,14,200)	8,23,53,827
(Increase)/decrease in Short Term Loan and Advances	(6,23,157)	(7,79,28,341)
CASH GENERATED FROM/(USED IN) OPERATING ACTIVITY	(3,26,52,791)	(5,14,47,611)
Taxes paid/TDS (net of refunds)	1,43,409	(27,767)
NET CASH FROM OPERATING ACTIVITIES	(A) (3,25,09,382)	(5,14,75,378)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(45,14,949)
Addition to Capital work in progress	6,14,375	-
NET CASH FROM INVESTING ACTIVITIES	(B) 6,14,375	(45,14,949)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share capital issued	-	4,98,16,830
Proceeds from share premium on issue of share capital	-	1,19,55,98,296
Proceeds/(Repayment) of long term borrowings/Deposits	6,97,45,700	(51,29,47,360)
Interest paid	(5,16,91,878)	(66,78,03,039)
NET CASH FROM FINANCING ACTIVITIES	(C) 1,80,53,822	6,46,64,727
Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)	(1,38,41,185)	86,74,403
Cash and cash equivalents at the beginning of the year	1,42,29,439	55,55,035
Cash and cash equivalents at the end of the year	3,88,254	1,42,29,439

Notes :

a. Cash and Cash equivalents includes : Cash ₹ 27/- Bank Balance in Current Accounts ₹3,88,227/-

b. The Cash Flow Statement has been prepared under the "Indirect Method" set out in the Accounting standard 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India



As per our report of even date attached

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


Mukul Patel
Partner
Mem. No. 32489



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

 
Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576



Place: Mumbai
Date: 15th May, 2015

Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2015

Notes to the financial statements

1. General Information

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

The Company is engaged in providing facility of warehousing including temperature controlled storage and other cargo/logistics related activities.

2. Basis of preparation of financial statements

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

These financial statements are prepared by applying the "Going Concern" assumption based on future business plans as referred in Note No. 32.

3. Summary of Significant Accounting Policies

(i) Use of Estimates

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

(ii) Fixed Assets and capital work in progress

(a) Tangible Fixed Assets

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

(b) Intangible Assets

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

(c) Capital work-in-progress

The cost of fixed assets which are not ready for its intended use are carried at cost comprising direct costs, related incidental expenses and attributable interest.



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2015

(iii) Borrowing Costs

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

(iv) Depreciation and Amortization

a. Tangible Assets

Depreciation on all Tangible Assets is provided on the Straight Line Method in accordance with Schedule II to the Companies Act, 2013 (Refer Note no. 35)

b. Intangible Assets

- (i) Software (intangible asset other than (ii) below), is amortized on a straight-line basis over a period of three to six years from the date of its implementation based on management's estimate of useful life over which economic benefits will be derived from its use.
- (ii) Cost of Enterprise Resource Planning (ERP) software (intangible asset) including expenditure on implementation is amortised over a period of ten years based on management's estimate of useful life over which economic benefits will be derived from its use

(v) Leases

Operating lease

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

(vi) Revenue Recognition

- (a) Revenue from allotment of warehousing space and open yard area to units is accounted on accrual basis as per agreed terms.
- (b) Revenue from value added services and other activities is recognized based on completion of agreed contracted services.
- (c) Interest and other income is accounted on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

(vii) Employee benefits

Employee benefits include Provident Fund, Gratuity and Leave Encashment entitlements.

(a) Defined Contribution Plan

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



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2015

(b) Defined Benefit Plan

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

(viii) Foreign Currency Transactions

- (a)** Transactions in foreign currencies are initially recognised at the prevailing exchange rates on the date of the transaction. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.
- (b)** Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(ix) Accounting for Taxes on Income

Income Taxes are accounted for in accordance with Accounting Standard - 22 on "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Tax expenses comprise both Current Tax and Deferred Tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities using the applicable tax rates. Deferred Tax Assets and Liabilities are recognized, if required, for future tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates.

(x) Impairment

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

(xi) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the Financial Statement.

(xii) Earnings per Share

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



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2015

(xiii) Cash Flow Statement

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

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



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Arshiya Industrial & Distribution Hub Limited
Notes to the financial statements for the Year ended 31st March, 2015

4. Share Capital	(Amount in ₹)	
	As at 31st March 2015	As at 31st March 2014
Authorised		
2,00,00,000 (2,00,00,000) Equity Shares of ₹10/- each	20,00,00,000	20,00,00,000
Issued Shares		
1,52,46,226 (1,52,46,226) Equity Shares of ₹10/- each	15,24,62,260	15,24,62,260
Issued, Subscribed and fully paid		
14,992,995 (14,992,995) Equity shares of ₹10/- each	14,99,29,950	14,99,29,950
Total	14,99,29,950	14,99,29,950

(a) Terms/rights attached to the Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends to the shareholders who are holding the shares on record date which is subject to the approval of the shareholders in the ensuing Annual 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 in the proportion to the number of equity shares held by the shareholders after distribution of all preferential amounts.

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

Equity Shares	As at 31st March 2015		As at 31st March 2014	
	Number	(Amount in ₹)	Number	(Amount in ₹)
Balance at the beginning of the year	1,49,92,995	14,99,29,950	1,00,11,312	10,01,13,120
Issued during the year	-	-	49,81,683	4,98,16,830
Balance at the close of the year	1,49,92,995	14,99,29,950	1,49,92,995	14,99,29,950

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

	As at 31st March 2015		As at 31st March 2014	
	Number	(Amount in ₹)	Number	(Amount in ₹)
Arshiya Limited *	1,35,86,659	13,58,66,590	1,35,86,659	13,58,66,590
Cyberlog Technologies (UAE) FZE, the Fellow Subsidiary	14,06,336	1,40,63,360	14,06,336	1,40,63,360
Total	1,49,92,995	14,99,29,950	1,49,92,995	14,99,29,950

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

	As at 31st March 2015		As at 31st March 2014	
	Number	% of holding	Number	% of holding
Equity Share of Rs 10/- fully paid up				
Arshiya Limited *	1,35,86,659	90.62	1,35,86,659	90.62
Cyberlog Technologies (UAE) FZE	14,06,336	9.38	14,06,336	9.38
Total	1,49,92,995	100.00	1,49,92,995	100.00

* Notes :-

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

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



Arshiya Industrial & Distribution Hub Limited
Notes to the financial statements for the Year ended 31st March, 2015

5. Reserves & Surplus

	(Amount in ₹)	
	As at 31st March 2015	As at 31st March 2014
Securities Premium Reserve		
Balance as at the beginning of the year	2,75,75,17,492	1,56,19,19,196
Add : On issue of Equity Shares	-	1,19,56,03,920
Less : Utilised for Stamp Duty & Other Fees paid for increase in Share Capital	-	5,624
	2,75,75,17,492	2,75,75,17,492
Revaluation Reserve	1,05,25,46,008	1,05,25,46,008
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	(1,05,82,19,213)	(41,31,25,329)
(Loss) for the year	(73,74,44,767)	(64,50,93,884)
Less: Adjustment for Depreciation (Refer Note No. 3(iv))	(3,09,241)	-
Balance at the close of the year	(1,79,59,73,221)	(1,05,82,19,213)
Total	2,01,40,90,279	2,75,18,44,287

6. Long term borrowings

	(Amount in ₹)			
	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Secured (Refer Note No. 30)				
Loan from Banks :				
Fund-Based Term Loans	3,34,06,54,610	3,80,14,61,344	53,25,68,126	26,45,00,000
Funded Interest Term Loans (FITL)	53,38,95,645	59,53,60,456	9,42,16,878	3,35,00,000
	3,87,45,50,255	4,39,68,21,800	62,67,85,005	29,80,00,000
Loan from Others:				
Fund-Based Term Loans	16,69,79,530	-	2,66,19,925	-
Funded Interest Term Loans (FITL)	2,69,30,869	-	47,52,506	-
	19,39,10,399	-	3,13,72,431	-
	4,06,84,60,654	4,39,68,21,800	65,81,57,436	29,80,00,000
Unsecured				
Inter Corporate Loan				
From Holding Company	4,36,01,654	2,52,47,938	-	-
From Fellow Subsidiary Companies	1,95,95,694	-	-	-
	6,31,97,348	2,52,47,938	-	-
Total	4,13,16,58,002	4,42,20,69,738	65,81,57,436	29,80,00,000

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

(i) Securities provided :

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

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



Arshiya Industrial & Distribution Hub Limited
Notes to the financial statements for the Year ended 31st March, 2015

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

(Amount in ₹)

Financial year	Banks		Others	
	Term Loans	FITL	Term Loans	FITL
2014-2015	25,17,59,478	3,14,05,626	1,25,83,965	15,84,169
2015-2016	28,08,08,648	6,28,11,252	1,40,35,960	31,68,338
2016-2017	47,44,69,785	15,70,28,131	2,37,15,933	79,20,844
2017-2018	54,22,51,183	37,68,67,514	2,71,03,924	1,90,10,025
2018-2019	54,22,51,183	-	2,71,03,924	-
2019-2020	54,22,51,183	-	2,71,03,924	-
2020-2021	54,22,51,183	-	2,71,03,924	-
2021-2022	56,16,17,297	-	2,80,71,921	-
2022-2023	13,55,62,796	-	67,75,981	-
Total	3,87,32,22,736	62,81,12,523	19,35,99,455	3,16,83,375

iv) Detail of unpaid term loan and funded interest term loan as on 31-03-2015 is as follows :-

(Amount in ₹)

Period of Default	Banks		Others	
	Term Loans	FITL	Term Loans	FITL
Nov-14	5,03,51,896	62,81,125	25,16,793	3,16,834
Dec-14	5,03,51,896	62,81,125	25,16,793	3,16,834
Jan-15	5,03,51,896	62,81,125	25,16,793	3,16,834
Feb-15	5,03,51,896	62,81,125	25,16,793	3,16,834
Mar-15	5,03,51,896	62,81,125	25,16,793	3,16,834
Total	25,17,59,478	3,14,05,626	1,25,83,965	15,84,169

(b) Loan from Holding Company and Subsidiary Companies

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

7. Provisions

(Amount in ₹)

	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Employee Benefits				
Leave Travel Allowance	-	-	8,58,062	5,90,622
Gratuity	1,76,637	-	-	1,29,978
Leave Encashment	3,14,529	3,37,876	2,38,613	2,55,057
	4,91,166	3,37,876	10,96,675	9,75,657
Expenses				
	-	-	33,10,502	3,87,498
	-	-	33,10,502	3,87,498
Total	4,91,166	3,37,876	44,07,177	13,63,155

8. Trade payables

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Trade Payables (Refer Note No. 27)	62,79,539	53,76,489
Total	62,79,539	53,76,489



Arshiya Industrial & Distribution Hub Limited
Notes to the financial statements for the Year ended 31st March, 2015

9. Other Current Liabilities

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Current Maturities of Long Term Secured Borrowings (Refer Note No. 6 & 30)		
Fund-Based Term Loans from Banks	53,25,68,126	26,45,00,000
Funded Interest Term Loans (FITL) from Banks	9,42,16,878	3,35,00,000
Fund-Based Term Loans from Other	2,66,19,925	-
Funded Interest Term Loans (FITL) from Other	47,52,506	-
	65,81,57,436	29,80,00,000
Interest accrued and due on (Refer Note No. 30)		
Term Loans from Banks	40,79,51,677	-
Funded Interest Term Loans (FITL) from Banks	6,83,67,926	50,58,592
Term Loans from Other	2,06,73,065	-
Funded Interest Term Loans (FITL) from Other	36,39,157	-
	50,06,31,825	50,58,592
Other Liabilities		
Project Creditors (Refer Note No. 27)	6,52,48,476	6,77,90,588
Employees' Dues	1,15,95,033	1,76,76,748
	7,68,43,509	8,54,67,336
Statutory Liabilities		
Tax Deducted at Source	3,03,73,830	3,56,63,009
Service Tax	-	1,60,684
Provident Fund	61,220	44,148
Entry Tax	8,53,762	8,53,762
Works Contract Tax	3,81,633	3,81,633
Interest payable on unpaid Tax Deducted at Source	81,99,273	61,81,693
	3,98,69,718	4,32,84,929
Total	1,27,55,02,488	43,18,10,857

Details of unpaid Interest on term loan and Interest on funded interest term loan as on 31-03-2015 is as follows :-

(Amount in ₹)

Period of Default	Banks		Others	
	Term Loans	FITL	Term Loans	FITL
Apr-14	48,75,816	44,16,384	1,72,518	2,61,859
May-14	2,94,56,940	49,75,243	18,10,308	2,98,447
Jun-14	3,54,81,445	48,62,344	17,81,810	2,91,518
Jul-14	3,67,92,332	49,86,615	18,43,867	3,03,959
Aug-14	3,73,15,612	61,79,669	18,61,094	3,06,799
Sep-14	3,65,09,968	60,06,139	18,17,885	2,99,676
Oct-14	3,79,24,168	61,59,153	18,95,464	3,12,465
Nov-14	3,69,88,765	60,05,431	18,51,457	3,05,210
Dec-14	3,85,67,290	62,61,718	19,30,470	3,18,235
Jan-15	3,89,27,603	63,20,218	19,48,505	3,21,208
Feb-15	3,54,88,901	57,61,916	17,76,382	2,92,834
Mar-15	3,96,22,837	64,33,095	19,83,305	3,26,945
Total	40,79,51,677	6,83,67,925	2,06,73,065	36,39,156



Arshiva Industrial & Distribution Hub Limited

Notes to the financial statements for the Year ended 31st March, 2015

10. Tangible assets

	Freehold Land	Building	Plant & Equipments	Furniture & Fixtures	Office Equipments	Computers	Electrical Installation	Total As at 31 March 2015	Total As at 31 March 2014
Gross Block									
As at 1 Apr, 2014	2,03,79,37,270	4,80,55,17,533	54,25,79,312	9,01,33,911	7,05,55,997	2,64,72,447	20,03,12,417	7,77,35,08,887	6,70,39,98,114
Additions	-	-	-	-	-	-	-	-	1,69,64,765
Revaluation	-	-	-	-	-	-	-	-	1,05,25,46,008
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March'15	2,03,79,37,270	4,80,55,17,533	54,25,79,312	9,01,33,911	7,05,55,997	2,64,72,447	20,03,12,417	7,77,35,08,887	7,77,35,08,887
Depreciation									
As at 1 Apr, 2014	-	11,09,45,888	3,79,54,119	81,16,902	47,55,313	62,64,426	1,34,77,184	18,15,13,831	5,34,75,820
Additions	-	7,60,33,106	3,51,63,216	90,33,433	1,73,93,302	50,62,433	2,05,99,795	16,32,85,285	12,80,38,012
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March'15	-	18,69,78,994	7,31,17,335	1,71,50,335	2,21,48,615	1,13,26,859	3,40,76,979	34,47,99,116	18,15,13,832
Net Block									
As at 31 March, 2015	2,03,79,37,270	4,61,85,38,539	46,94,61,977	7,29,83,576	4,84,07,382	1,51,45,588	16,62,35,438	7,42,87,09,771	7,59,19,95,055
As at 31 March, 2014	2,03,79,37,270	4,69,45,71,645	50,46,25,193	8,20,17,009	6,58,00,684	2,02,08,022	18,68,35,233	7,59,19,95,055	-

11. Intangible assets

	Computer Software	Total As at 31 March 2015	Total As at 31 March 2014
Gross Block			
As at 1 Apr, 2014	13,20,033	13,20,033	13,20,033
Additions	-	-	-
Disposals	-	-	-
As at 31st March'15	13,20,033	13,20,033	13,20,033
Amortisation			
As at 1 Apr, 2014	3,03,086	3,03,086	89,108
Additions	6,42,190	6,42,190	2,13,977
As at 31st March'15	9,45,276	9,45,276	3,03,085
Net Block			
As at 31 March, 2015	3,74,757	3,74,757	10,16,948
As at 31 March, 2014	10,16,948	10,16,948	-



Arshiya Industrial & Distribution Hub Limited
Notes to the financial statements for the Year ended 31st March, 2015

12. Loans and Advances

(Amount in ₹)

	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
(Unsecured, Considered Good)				
Capital Advances	80,11,325	26,11,325	-	-
Deposits	30,000	16,15,800	-	-
(a)	80,41,325	42,27,125	-	-
Other Loans and Advances				
Income Tax Payments	-	-	18,072	1,61,481
Prepaid Expenses	-	-	28,432	5,91,038
Other advances	-	-	7,47,246	-
Indirect Tax Receivable*	-	-	10,29,22,814	10,24,84,297
(b)	-	-	10,37,16,564	10,32,36,816
Total (a) + (b)	80,41,325	42,27,125	10,37,16,564	10,32,36,816

* Represents Cenvat Credit charged on Fixed Assets held available for future set-off.

13. Trade Receivables

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
(Unsecured, considered good)		
Outstanding for a period		
- exceeding six months from the date they became payable	49,767	-
- others	20,22,480	1,49,856
Total	20,72,247	1,49,856

14. Cash and Cash Equivalents

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Balances with Scheduled Banks :		
In Current Accounts	3,88,227	1,42,29,412
Cash in Hand (As Certified by the Management)	27	27
Total	3,88,254	1,42,29,439

15. Revenue from operations

(Amount in ₹)

	Year Ended 31st March 2015	Year Ended 31st March 2014
Sale of Services:		
Income from warehousing and handling business	18,00,000	13,09,430
Total	18,00,000	13,09,430

16. Other Income

(Amount in ₹)

	Year Ended 31st March 2015	Year Ended 31st March 2014
Interest Income	2,79,953	-
Sundry balances written back (net)	15,22,053	14,60,764
Miscellaneous Income	7,92,659	-
Total	25,94,665	14,60,764



Arshiya Industrial & Distribution Hub Limited
Notes to the financial statements for the Year ended 31st March, 2015

17. Cost of Operations		(Amount in ₹)	
	Year Ended 31st March 2015	Year Ended 31st March 2014	
Direct Costs	5,05,620	3,03,155	
Total	5,05,620	3,03,155	
18. Employee Benefits Expense		(Amount in ₹)	
	Year Ended 31st March 2015	Year Ended 31st March 2014	
Salaries and Wages	1,47,64,751	4,55,20,646	
Contribution to Provident Fund and Other funds	4,34,828	8,81,691	
Employee Welfare and other amenities	2,88,524	22,61,427	
Total	1,54,88,103	4,86,63,764	
19. Finance Costs		(Amount in ₹)	
	Year Ended 31st March 2015	Year Ended 31st March 2014	
Interest	54,39,72,042	47,91,34,263	
Interest on unpaid Tax Deducted at Source	26,31,512	35,80,183	
Other borrowing costs	6,61,556	5,95,971	
Total	54,72,65,110	48,33,10,417	
20. Other expenses		(Amount in ₹)	
	Year Ended 31st March 2015	Year Ended 31st March 2014	
Power & Fuel	11,52,179	90,18,255	
Rent	3,00,000	2,25,000	
Repairs and Maintenance - Building	2,67,759	10,49,461	
Repairs and Maintenance - Other	1,35,617	3,14,239	
Security Charges	-	22,28,490	
Housekeeping Expenses	-	19,20,630	
Insurance	5,83,493	53,67,963	
Rates & Taxes	3,48,052	1,67,922	
Legal and Professional charges	54,63,209	99,21,429	
Bad debts written off	-	19,23,596	
Communication Expenses	5,82,245	15,52,198	
Travelling and Conveyance Expenses	12,39,104	35,20,545	
Advertisement and Business Promotion Expenses	8,747	32,564	
Printing and Stationery	18,296	70,388	
Auditors Remuneration - Audit fees	5,00,000	2,00,000	
- Other services	-	3,50,000	
Miscellaneous Expenses	6,18,516	9,24,123	
Total	1,12,17,217	3,87,86,804	



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2015

21. Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits

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

a – Brief descriptions of the plans

The Company has various schemes for long-term benefits such as provident fund and gratuity. The Company's defined contribution plans are provident fund and Employees State Insurance where the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity. The employees of the Company are also entitled to leave encashment as per the Company's policy.

b – Defined Contribution Plans (Provident Fund)

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

Employers' Contribution to Provident Fund	₹ 434,828/-
[Includes Administrative Charges, EDLI charges and Employers' Contribution to Employee's Pension Scheme 1995]	(₹ 881,691/-)

c - Defined Benefit Plan – Gratuity (Funded)

The following tables set out the status of Gratuity liability as required by AS-15.

(Amount In ₹)

PARTICULARS	As at 31 st March, 2015	As at 31 st March, 2014
I-Actuarial Assumptions:		
Discount Rate	7.80%	9.29%
Rate of Return on plan assets	9.00%	8.70%
Future salary rise	7.00%	7.00%
Attrition rate	15.00%	10.00%
II-Change in Defined benefit obligations:		
Liability at the Beginning of the Year	817,895	2,781,963
Service Cost	191,226	1,249,362
Interest Cost	71,802	222,557
Past Service Cost (Vested and Non Vested benefits)	-	-
Liability Transferred in/(out)	Nil	(779,136)
Benefits Paid	(90,000)	(535,961)
Actuarial (Gain)/Loss	(78,737)	(2,120,890)
Liability at the End of the Year	912,186	817,895
III-Fair Value of Planned Assets:		
Fair value of Planned assets at the beginning of the year	687,917	1,223,878
Expected Return on plan assets	55,934	106,477
Contributions	-	-
Transfer from other company	-	-
Benefits Paid	(90,000)	(535,961)
Actuarial (Gain)/Loss	81,698	(106,477)
Fair value of Plan assets at the end of the year	735,549	687,917
IV. Actual Return on Plan Assets		
Expected Return on Plan Asset	55,934	106,477
Actuarial Gain/(Loss) on Plan Assets	81,698	(106,477)
Actual Return on Plan Assets	137,632	-
V. Amount Recognized in the Balance Sheet		
Liability at the end of the period	(912,186)	(817,895)



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2015

Fair Value of plan assets at the end of the year	735,549	687,917
Difference	176,637	(129,978)
Unrecognized past service cost	-	-
Liability recognized in balance sheet	176,637	(129,978)
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insured managed Fund	100%	100%
VII. Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	191,226	1,249,362
Interest Cost	71,802	222,557
Expected return on Plan Assets	(55,934)	(106,477)
Net Actuarial (gain)/loss to be recognized	(160,435)	(2,014,413)
Past Service cost	-	-
Expense recognized in Profit & Loss A/c	46,659	(648,971)
VIII. Balance Sheet Reconciliation		
Opening Net Liability	129,978	1,558,085
Expense as Above	46,659	(648,971)
Employers Contribution	-	-
Net Transfers-In from other companies	-	-
Net Transfers-Out from Other Companies	-	(779,136)
Closing Net Liability	176,637	129,978
IX. Expected Employers contribution in the Next year		
As per Actuarial Valuation report	398,490	303,204
X. Experience Adjustment		
On Plan Liability (Gain)/Loss	(116,523)	(2,075,607)
On Plan Asset (Loss)/Gain	81,698	(106,477)

d - Defined Benefit Plan –Leave Encashment (unfunded)

The following tables set out the status of leave liability as required by AS-15.

(Amount In ₹)

PARTICULARS	As at 31 st March, 2015	As at 31 st March, 2014
I-Actuarial Assumptions:		
Discount Rate	7.80%	9.29%
Rate of Return on plan assets	-	-
Future salary rise	7.00%	7.00%
Attrition rate	15.00%	10.00%
II-Change in Defined benefit obligations:		
Liability at the Beginning of the Year	592,933	3,349,896
Service Cost	187,229	967,872
Interest Cost	55,082	276,992
Liability Transferred in	-	-
Liability transferred Out	-	(608,982)
Past Service Cost (Vested and Non Vested benefits)	-	-
Curtailment	-	-
Benefits Paid	-	(1,461,151)
Actuarial (Gain)/Loss	(282,103)	(1,922,694)
Liability at the End of the Year	553,142	592,933
III-Fair Value of Planned Assets:		
Fair value of Planned assets at the beginning of the year	-	-
Expected Return on plan assets	-	-
Contributions	-	-
Transfer from other company	-	-



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2015

Benefits Paid	-	-
Actuarial (Gain)/Loss	-	-
Fair value of Plan assets at the end of the year	-	-
Total Actuarial gain/(Loss) to be Recognized	-	-
VI .Actual Return on Plan Assets		
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss) on Plan Assets	-	-
Actual Return on Plan Assets	-	-
V. Liability recognized in the balance sheet		
Liability at the end of the year	553,142	592,933
Fair Value of plan assets at the end of the year	-	-
Difference	553,142	592,933
Unrecognized past service cost	-	-
Liability recognized in balance sheet	553,142	592,933
VI. Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	187,229	967,872
Interest Cost	55,083	267,992
Expected return on Plan Assets	-	-
Net Actuarial (gain)/loss to be recognized	(282,103)	(1,922,694)
Curtailment	-	-
Past Service cost	-	-
Expense recognized in the Statement of Profit & (Loss)	(39,791)	(686,830)
VII Balance Sheet Reconciliation		
Opening Net Liability	592,933	3,349,896
Expense as Above	(39791)	(686,830)
Employers Contribution	-	(1,461,151)
Net Transfers from Other Companies	-	(608,982)
Closing Net Liability	553,142	592,933
VIII Experience Adjustments:		
On Plan Liability (Gain)/Loss	(313,498)	(1,891,028)
On Plan Asset (Loss)/Gain	-	-

22. Disclosure pursuant to Accounting Standard 17 - Segment information

The Company is primarily engaged in the warehousing and handling business. In the opinion of the company, the entire operations are governed by same set of risk and returns and hence the same has been considered as representing the single primary segment.

The Company provides services within India and it doesn't have any operation in economic environments with different risk and returns. Hence it is considered that the Company is operating in single geographical segment.



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2015

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

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

S.No	Name of Related Party	Relationship
1	Arshiya Limited	Holding Company
2	Arshiya Supply Chain Management Private Limited	Fellow Subsidiaries
3	Arshiya Northern FTWZ Limited	
4	Arshiya Rail Infrastructure Limited	
5	Cyberlog Technologies (UAE) FZE	
6	Mr. Ajay S. Mittal - Director	Key Management Personnel
7	Mrs. Archana Mittal - Director	
8	Mr. Navnit Choudhary - Director	

Note:

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

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

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

(Amount In ₹)

Transactions	Fellow Subsidiaries		Holding Company	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Share Capital				
Share Capital held as at the beginning of the year	1,406,336	1,406,336	135,866,590	86,049,760
Issue of Shares during the year (excluding securities premium)	--	--	--	49,816,830
Share Capital held as at the end of the year	1,406,336	1,406,336	135,866,590	135,866,590
Loan Taken				
Balance as at the beginning of the year	--	--	25,247,938	1,150,303,978
Loan Taken during the year	21,212,735	89,522,949	18,353,716	164,075,281
Loan (Repaid)/(adjusted) during the year	1,617,040	89,522,949	--	43,710,571
Issue of Equity Shares including Securities Premium	--	--	--	1,245,420,750
Balance as at the end of the year	19,595,694	--	43,601,654	25,247,938
Balances as at year end				
Corporate Guarantee	--	--	5,227,249,915	4,700,285,265



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2015

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

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

Computation of Earnings Per Share (Basic and Diluted)	2014-15	2013-14
Net (Loss) attributable to Shareholders (₹)	(737,444,767)	(645,093,887)
Weighted average number of Equity Shares for basic & Diluted	14,992,995	11,294,266
Nominal Value per share (₹)	10	10
Earning Per Share – Basic & Diluted(₹)	(49.19)	(57.12)

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

In view of the loss for the year, no provision for taxation has been made.

In absence of virtual certainty of earning adequate taxable income in the foreseeable future, Deferred Tax Asset for the year is not recognised.

26. Contingent liability not provided for in respect of:

(Amount in ₹)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
(a) Claims Against the Company not acknowledged as Debt	11,39,52,266	-
(b) Right to recompense by Secured Lenders	441,000,000	245,000,000

27. Outstanding dues to Micro and Small Enterprises

The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure, if any, relating to amounts unpaid as at the year-end together with interest payable as required under the said act have not been given.

28. Preparation of financial statements on "Going Concern" basis

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

- (a) Package under Corporate Debt Restructuring approved by the Secured Lenders.
- (b) The Restructuring of the Business Operations by developing an Inland Container Depot (ICD) (Refer note no. 32).



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2015

29. Scheme of Amalgamation

(a) The Board of Directors of the Company at its meeting held on 24.01.2014 approved the Scheme of Amalgamation (the Scheme) under Section 391/394 of the Companies Act, 1956 of amalgamation of the Company with Arshiya Transport and Handling Limited (amalgamated company). The scheme also provides for amalgamation of Arshiya Northern FTWZ Limited (amalgamating company) with the amalgamated company. The Equity Shareholders of the respective Companies have approved the scheme.

(b) The Scheme inter-alia provides that:

- (i) On and from 01.01.2014 (the appointed date), the entire businesses and the whole of the undertakings of the Company as "Going Concern" with all assets, properties and liabilities shall stand transferred and vested in the amalgamated company.
- (ii) Issue and allotment by the amalgamated company of 1 (one) fully paid equity share of ₹ 10/- each for every equity share of ₹ 10/- each held by the shareholders of the Company as consideration.
- (iii) Transactions between the appointed date and effective date of the Company shall be for and on behalf of the amalgamated company.

(c) The Scheme has been filed with Hon. High Court of Bombay on 27.03.2014 and is pending for approval.

30. Corporate Debt Restructuring(CDR):

30.1 During the previous year, Secured Lenders (Banks) have approved the restructuring package under "Corporate Debt Restructuring Package" (CDR), which inter-alia provides for:

- (a) (i) Reschedulement of the Principal amounts of the loans and dates thereof.
- (ii) Funding of unpaid interest on the Term Loans for the period from November 2012 to October 2014.
- (iii) Waiver of all liquidated damages/penal charges/penal interest/excess interest i.e. in excess of documented rates of all the facilities from the cut-off date 1st November, 2012 till the implementation of the package.

(b) A right to recompense in favour of Secured Lenders.

30.2 This year, the Company has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted into Company's borrowings becoming "Non Performing Assets" (NPA's) with the Banks.

30.3 Such defaults entitle the CDR lenders to reverse the waiver/sacrifices granted by them, which is estimated to be ₹ 441,000,000/- as on 31st March, 2015.

30.4 During the year, a lender, State Bank of Travancore (SBT) who was part of the "Corporate Debt Restructuring" (CDR) has assigned its respective outstanding loans in favour of Edelweiss Asset Reconstruction Company (EARC) on the same terms and conditions as applicable to said lender.



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2015

31. Provision for Interest

The Company has provided interest for the year:

- (a) In respect of loans from banks, on the basis of statements received from them and in absence thereof, as per the concessional rates (excluding penal interest) as mentioned in Letter Of Approval (LOA) under the CDR.
- (b) In respect of loans assigned to EARC, on the basis of balance confirmations received from them.

32. Revival Plans

Despite superior facilities, due to delays in the implementation of Goods & Service Tax Act (GST) and increase of Foreign Direct Investment in Retail Sector, the operations of the Company have suffered.

The Management of the Company has taken steps for conversion of Industrial and Distribution Hub (IDH) into Inland Container Depot (ICD), which will attract more number of containers and will enable the Company to explore revenue streams with higher margins. The Company has obtained an approval as per clause (aa) of sub-section (1) of section 7 of Customs Act, 1962 (52 of 1962), for Inland Container Depot facility vide notification no. 36/2015-Customs (N.T.) dated 7th April, 2015, the Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, Government of India. The Company expects to complete all regulatory formalities and commence operations in the Financial Year 2015-16.

33. Tax Deducted at Source

During the year,

- (a) The Company had deducted income tax at source (TDS) aggregating to ₹ 4,400,614/- during the earlier years from the amounts payable to various parties. The Company has not paid the said TDS to the government on assumption that such parties would have paid their income tax dues on the income declared by them in the respective years. Accordingly, during the year, the Company has transferred an amount of ₹ 4,400,614/- back to the respective parties.
- (b) The Company has written back an aggregate amount of ₹ 526,269/- representing interest on unpaid tax deducted at source provided in earlier years on the premise that since the corresponding tax deducted is not payable as mentioned in Note no. (a) above, interest thereon is not payable.

34. Fixed Assets

In view of the revival plans of the Company as referred to in note no. 32, in the opinion of management, the carrying value of the Fixed Assets are not estimated to be lower than the recoverable values and hence, no provision for impairment of Fixed Assets is called for.



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2015

35. The Company has aligned its depreciation policy in accordance with Schedule II to the Companies Act, 2013 with effect from 1st April, 2014 and has accordingly provided depreciation based on revised respective useful life of the assets. Till previous year, the Company provided depreciation on Straight Line Method basis as per the rates prescribed in Schedule XIV of Companies Act, 1956. This change has resulted into current year depreciation being higher by ₹ 39,039,300/-.

36. Capital Work-in-Progress [CWIP]

- (a) During the year, the management decided to discontinue further development of its Software for Warehouse Management and hence, a sum of ₹ 8,207,055/- is written off.
- (b) The Company has suspended capital expenditure due to non optimum utilisation of existing capacity. However, the Company expects to use the existing Capital expenditure held as Work in Progress to implement Inland Container Depot project by October 2015. Therefore, in the opinion of the Management, the deferment of completion of the existing facilities has not impaired the future economic life of the assets held under Capital Work-in-Progress at this juncture and hence, no provision for impairment of assets is called for.

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

(Amount in ₹)

Sr. No.	Exceptional items	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
1	Unpaid Balances written back	(3,935,637)	--
2	Interest on delayed payment of TDS written back (Refer Note No. 33)	(526,269)	--
3	Capital Work in Progress Written off (Refer Note No. 36(a))	8,207,055	--
4	Interest waiver on Secured Loans	--	(51,452,048)
	Total	3,745,149	(51,452,048)

38. The Company is of the view that the provisions of Section 185 of the Companies Act, 2013 as regards inter Company advances/loans/guarantees granted/received are not applicable, as the same are provided/received in the normal course of business.
39. Outstanding balances in respect of Trade Receivables, Loans and Advances, Trade Payables and Other liabilities other than due from/to Holding/Fellow Subsidiaries are subject to confirmations. Adjustments, if any, shall be made in the financial statements of the year in which such differences are accepted.
40. Certain lenders and creditors have filed winding up petitions/ cases / other legal proceedings for recovery of the amounts due to them which are at different stages before the respective judicial forums / authorities. Claims by the said lenders and creditors have been contested by the Company in those proceedings and not acknowledged as debts. It is not possible at this juncture to estimate the financial implications of such claims.



Arshiya Industrial & Distribution Hub Limited

Notes to the financial statements for the year ended 31st March, 2015

41. Previous year's figures have been regrouped, reclassified, rearranged and recast wherever necessary to conform to those of current year presentation.

Signature to Notes forming part of Financial Statements

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

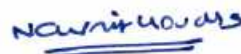
For and on behalf of the Board of Directors of
Arshiya Industrial & Distribution Hub Limited



Mukul Patel
Partner
Membership No.: 32489
Place: Mumbai
Date: 15th May, 2015



Ajay S Mittal
Director
DIN : 00226355



Navnit Choudhary
Director
DIN : 00613576





ARSHIYA NORTHERN FTWZ LIMITED

Financial Statement for the

Financial Year 2014-15



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Members of
ARSHIYA NORTHERN FTWZ LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Arshiya Northern FTWZ Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control systems over financial reporting and the operating



effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

1. The Company continues to be under severe financial stress as reflected by:
 - (a) All the secured borrowings turning into Non Performing Assets (refer Note no. 35).
 - (b) Substantial Creditors remaining outstanding to be paid.
 - (c) Unpaid full and final employees' dues amounting to Rs. 3,730,343/-.
 - (d) Unpaid statutory dues amounting to Rs. 14,438,929/-.

Despite the foregoing, these accounts have been prepared on a going concern basis as referred to in note no. 33 in view of the following:

- (i) Amalgamation of the Company (subject to Court's approval) with its fellow subsidiary (Note no. 34).
 - (ii) "Corporate Debt Restructuring" approved by the Secured Lenders (Banks) (Note no 35).
 - (iii) Revival Plans proposed to be implemented by the Management to improve operations. (Note No. 38).
2. Further to above, we draw attention to the following Notes to the Financial Statements:
 - (i) Note No. 37 Re. Tax Deducted at Source;
 - (ii) Note No. 39 Re. Fixed Assets;
 - (iii) Note No. 41 Re. Capital Work In Progress; and
 - (iv) Note No. 45 Re. Loans/Guarantees granted/received.

Our Opinion is not modified in respect of these matters.



Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion the aforesaid financial statements comply with accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164(2) of the Act; and
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer to Note Nos. 29(b) and 46 to the financial statements;
 - ii. The company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



Mukul Patel
Partner
Membership No. 032489

Place: Mumbai
Date: 15th May, 2015

Annexure to the Independent Auditors' Report

As referred to in the Annexure to the Independent Auditors 'Report to the members of the Company on the financial statements for the year ended 31st March 2015, we report that :

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

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
- ii. The nature of the business of the Company does not require it to purchase inventory and hence, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- iii. The Company has granted interest free unsecured loans to two fellow subsidiaries covered in the register maintained under Section 189 of the Companies Act, 2013. The terms of arrangement do not stipulate any repayment schedule and the loans are receivable after one year but within five years, hence the question of repayment during the year does not arise. There are no overdue amounts exceeding Rs. One lakh as of year-end with respect to such loans granted.
- iv. In our opinion and according to information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of Fixed Assets and sale of Services. During the course of our audit, we have not observed any major weakness in such internal control system. Further, the activities carried on by the Company do not require purchase of inventory and sale of goods.
- v. The Company has not accepted any deposits and hence, the directions of the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provisions of the Companies Act 2013 and its rules, are not applicable. Hence clause 3(v) of the Order is not applicable.
- vi. According to the information and explanations obtained, the Company is not required to maintain cost records as prescribed under Section 148(1) of the Act pursuant to the Companies (Cost Accounting Records) Rules 2013 notified by the Central Government of India vide notification dated 1 April 2014.
- vii. (a) The Company is generally regular in depositing undisputed applicable statutory dues, *except, income tax deducted at source. The arrears of such outstanding as of the year-end for a period of more than six months from their due dates of payment is Rs. 12,655,356/-.*

(b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

(c) According to the information and explanations obtained, the Company does not have any amount which is pending to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made thereunder.
- viii. *Accumulated losses at the end of the financial year are not less than 50% of its net worth. The Company has incurred cash losses during the year and in the immediately preceding financial year.*



- ix. The Company has not issued any debentures. Based on our audit procedures and according to the information and explanations given by the management, during the year, the Company, taking into account approved Corporate Debt Restructuring Package, has defaulted in repayment of dues to Banks and a Financial Institution, the defaults whereof are stated hereunder:

default on account of non payment of interest is stated as under :

	Banks			Short Term Loan
	Cash Credit	Term Loans	FTTL	
F.Y. 2013-14	416,326	1,381,226	814	13,313,841
Apr-14	359,429	21,819,781	1,986,690	1,491,732
May-14	373,027	22,716,565	2,206,537	1,541,456
Jun-14	369,973	25,368,509	3,620,424	1,491,732
Jul-14	386,661	26,111,647	4,464,749	1,541,456
Aug-14	392,305	26,752,171	4,506,788	1,541,456
Sep-14	385,366	26,329,432	4,420,756	1,491,732
Oct-14	400,506	27,229,972	4,593,265	1,541,456
Nov-14	392,195	26,620,157	4,490,399	1,491,732
Dec-14	409,931	27,779,227	4,685,843	1,541,456
Jan-15	414,806	28,062,347	4,733,601	1,541,456
Feb-15	379,118	25,604,964	4,319,085	1,392,282
Mar-15	424,246	28,609,313	4,825,656	1,541,456
Total	5,103,888	314,385,311	48,854,608	31,463,241

default on account of non payment of principal amount of Cash Credit from a Bank is stated as under:

	Cash Credit from a Bank
Jun-14	31,000,000

- x. According to the information and explanations given to us, the company has given a corporate guarantee of Rs. 100 crores in respect of a loan granted to a fellow subsidiary, Arshiya Supply Chain Management Private Limited, by a Non Banking Finance Company (NBFC). In our opinion, having regard to the fact that the fellow subsidiary is also wholly owned by the Holding Company, the terms and conditions of the guarantee given by the Company for loan granted to its fellow subsidiary from the NBFC are not, prima facie, prejudicial to the interest of the Company.
- xi. During the year, no term loans have been obtained by the Company. Hence, the provisions of clause 3(xi) of the Order are not applicable to the Company.



- xii. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud of material significance on or by the Company has been noticed or reported during the year.

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



Mukul Patel

Mukul Patel
Partner
Membership No. 032489

Place: Mumbai
Date: 15th May, 2015

ARSHIYA NORTHERN FTWZ LIMITED

BALANCE SHEET AS AT 31st March, 2015

		(Amount in ₹)	
Notes		As at	As at
		31st March, 2015	31st March, 2014
I. Equity And Liabilities			
1. Shareholders' Funds			
(a) Share Capital	4	9,55,06,260	9,55,06,260
(b) Reserves and Surplus	5	3,80,08,01,099	4,38,82,72,093
		3,89,63,07,359	4,48,37,78,353
2. Non-Current Liabilities			
(a) Long term borrowings	6	3,26,03,80,669	3,25,81,35,704
(b) Other long term liabilities	7	9,92,500	9,92,500
(c) Long term provisions	8	5,72,333	23,42,001
		3,26,19,45,502	3,26,14,70,205
3. Current Liabilities			
(a) Short Term Borrowing	9	13,01,85,997	13,01,85,997
(b) Trade payables	10	91,21,943	70,75,596
(c) Other current liabilities	11	88,61,54,646	47,85,58,395
(d) Short term provisions	8	21,04,676	12,96,992
		1,02,75,67,262	61,71,16,980
Total		8,18,58,20,123	8,36,23,65,538
II. Assets			
1. Non Current Assets			
(a) Fixed Assets			
(i) Tangible assets	12	6,69,16,03,243	6,82,00,40,615
(ii) Intangible assets	13	4,08,97,766	7,36,30,478
(iii) Capital Work-in-Progress		1,11,66,36,527	1,13,11,38,280
		7,84,91,37,536	8,02,48,09,374
(b) Non Current Investments	14	11,49,08,880	11,49,08,880
(c) Long term loans and advances	15	1,82,84,105	1,46,84,105
(d) Other Non current Asset	16	38,67,767	35,69,852
		7,98,61,98,288	8,15,79,72,211
2. Current Assets			
(a) Trade Receivables	17	14,69,75,365	10,31,41,594
(b) Cash and Bank balances	16	12,60,128	1,23,50,914
(c) Short term loans and advances	15	5,13,86,342	8,89,00,819
		19,96,21,835	20,43,93,327
Total		8,18,58,20,123	8,36,23,65,538

Summary of Significant Accounting Policies 3

See accompanying notes to the financial statements

As per our report of even date

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

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

Mukul Patel

Mukul Patel
Partner
Mem. No. 32489



Ajay S Mittal

Ajay S Mittal
Director
DIN : 00613576

Navnit Choudhary

Navnit Choudhary
Director
DIN : 00226355

Place: Mumbai
Date: 15th May, 2015



ARSHIYA NORTHERN FTWZ LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March 2015

		(Amount in ₹)		
	Notes	Year Ended 31st March 2015	Year Ended 31st March 2014	
I	Revenue from Operations	18	2,30,10,614	8,35,52,904
II	Other income	19	3,00,09,506	12,17,798
III	Total Revenue (I+II)		5,30,20,120	8,47,70,702
IV	Expenses			
	Cost of Operations	20	18,55,217	5,66,855
	Employee Benefits Expense	21	1,56,55,352	3,11,11,906
	Finance costs	22	40,22,43,299	41,82,25,867
	Depreciation and amortisation expense	12 & 13	16,05,18,138	11,21,51,868
	Other expenses	23	3,71,35,436	4,41,68,295
	Total expenses		61,74,07,442	60,62,24,791
V	(Loss) for the year before exceptional item (III - IV)		(56,43,87,322)	(52,14,54,089)
VI	Exceptional item (Refer Note No. 44)		2,24,33,268	(3,77,22,391)
VII	(Loss) for the year (V - VI)		(58,68,20,590)	(48,37,31,698)
Earnings per equity share: (refer note no 27)				
	(1) Basic		(61.44)	(57.90)
	(2) Diluted		(61.44)	(57.90)
Face value per share - ₹ 10				

See accompanying notes to the financial statements

As per our report of even date

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

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

Mukul Patel

Mukul Patel
Partner
Mem. No. 32489



Place: Mumbai
Date: 15th May, 2015

Ajay S Mittal

Ajay S Mittal
Director
DIN : 00613576

Navnit Choudhary

Navnit Choudhary
Director
DIN : 00226355



ARSHIYA NORTHERN FTWZ LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	(Amount in ₹)	
	Year Ended 31st March 2015	Year Ended 31st March 2014
A Cash Flow From Operating Activities		
(Loss) before tax	(58,68,20,590)	(48,37,31,698)
Adjustments for :		
Interest Income	(4,06,117)	(3,05,568)
Sundry Balances Written Back	(2,92,42,501)	-
Excess Provisions Written Back	-	-
Dividend Income	-	-
Depreciation	16,05,18,138	11,21,51,868
Interest Expenses	40,22,43,299	41,82,25,867
Operating (Loss) / Profit Before Working Capital Changes	(5,37,07,771)	4,63,40,469
Working Capital Changes:		
Decrease / (increase) in Short term Loans and Advances	3,75,14,477	(29,43,546)
Decrease / (increase) in Long term Loans and Advances	(34,51,749)	8,76,13,213
Decrease / (increase) in Trade receivables	(4,38,33,771)	6,56,88,266
Increase / (Decrease) in Trade payables	20,46,347	1,88,327
Increase / (Decrease) in Other Long Term liabilities	-	(3,03,268)
Increase / (Decrease) in Other Current liabilities	37,72,75,650	(10,72,60,137)
Increase / (Decrease) in Long term Provisions	(17,69,668)	(8,57,583)
Increase / (Decrease) in Short term Provisions	8,07,685	(9,37,080)
Cash Generated Operatins	31,48,81,199	8,75,28,661
Taxes paid	(1,48,251)	(82,88,355)
Net Cash From Operating Activities	(A) 31,47,32,948	7,92,40,306
B Cash Flow From Investing Activities		
Addition to fixed assets (including CWIP)	1,45,01,753	(7,03,59,845)
Investment in Equity Shares	-	(11,49,08,880)
Investments in Fixed Deposit	(2,97,915)	(2,75,011)
Interest Received	4,06,117	3,05,568
Net Cash Used In Investing Activities	(B) 1,46,09,955	(18,52,38,168)
C Cash Flow From Financing Activities		
Proceeds from share capital including premium	-	28,08,94,849
Proceeds from Long Term Borrowing - Secured	(15,41,290)	44,71,74,432
Proceeds from Long Term Borrowing - Unsecured	6,33,50,900	18,22,76,562
Repayment of Short term Borrowings-secured	-	(37,74,55,459)
Interest Expense	(40,22,43,299)	(41,82,25,867)
Net Cash Used In Financing Activities	(C) (34,04,33,689)	11,46,64,516
Net increase / (decrease) in cash and cash	(A+B+C) (1,10,90,786)	86,66,654
Cash and cash equivalents at the beginning of the year	1,23,50,914	36,84,260
Cash and cash equivalents at the end of the year	12,60,128	1,23,50,914

Notes :

a. Cash and Cash equivalents includes : Cash ₹ 46/-, Balances with banks in Current Accounts ₹ 1,260,082/-

b. The Cash Flow Statement has been prepared under the "Indirect Method" set out in the Accounting standard 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

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

Mukul Patel
Partner
Mem. No. 32489

Place: Mumbai
Date: 15th May, 2015



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

Ajay S Mittal
Director
DIN : 00613576

Navnit Choudhary
Director
DIN : 00226355



Arshiya Northern FTWZ Limited

Notes to financial statements for the year ended 31st March, 2015

1. Corporate Information

The Company was incorporated on 16th June, 2008 with the object of setting up Free Trade & Warehousing Zones and to carry on activities pertaining to Free Trade & Warehousing Zone. The Company was formerly known as "Arshiya Northern Logistics Infrastructure Limited", which name has been changed to "Arshiya Northern FTWZ Limited".

The Company has developed a Free Trade & Warehousing Zone at Khurja, District Bulandshahar in the state of Uttar Pradesh and the Government of India vide its Notification No. S. O. 2793(E) dated 16th November, 2010 has notified the aforesaid area as a Free Trade & Warehousing Zone under the provisions of The Special Economic Act, 2005 and the Special Economic Zones Rules, 2006.

2. Basis of preparation of financial statements

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

These financial statements are prepared by applying the "Going Concern" assumption based on future business plans as referred in Note No. 38.

3. Significant Accounting Policies

i. Use of Estimates

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

ii. Fixed Assets

(a) Tangible Fixed Assets

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

Land is carried at its revalued amount being the estimated market value based on revaluation report.

(b) Intangible Assets

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

(c) Capital work-in-progress

The cost of fixed assets which are not ready for its intended use are carried at cost comprising direct costs, related incidental expenses and attributable interest.



Arshiya Northern FTWZ Limited

Notes to financial statements for the year ended 31st March, 2015

iii. Borrowing Costs

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

iv. Depreciation and Amortization

(a) Tangible Assets

Depreciation on all Tangible Assets is provided on the Straight Line Method in accordance with Schedule II to the Companies Act, 2013.

(b) Intangible Assets

- (i) Software (intangible asset other than (ii) below), is amortized on a straight-line basis over a period of three to six years from the date of its implementation based on management's estimate of useful life over which economic benefits will be derived from its use.
- (ii) Cost of Enterprise Resource Planning (ERP) software (intangible asset) including expenditure on implementation is amortised over a period of ten years based on management's estimate of useful life over which economic benefits will be derived from its use.

v. Investments

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

vi. Revenue recognition

- (a) Revenue from allotment of warehousing space and open yard area for use is accounted on accrual basis as per agreed terms.
- (b) Revenue from value added services and other activities is recognized based on completion of agreed contracted services.
- (c) Interest and other income is accounted on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

vii. Employee benefits

Employee benefits include Provident Fund, Gratuity and Leave Encashment entitlements.

a) Defined Contribution Plan

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

b) Defined Benefit Plan

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



Arshiya Northern FTWZ Limited

Notes to financial statements for the year ended 31st March, 2015

viii. Foreign Currency Transactions

- (a) Transactions in foreign currencies are initially recognised at the prevailing exchange rates on the date of the transaction. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.
- (b) Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

ix. Accounting for Taxes on Income

Taxes on Income are accounted for in accordance with Accounting Standard – 22 on "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Tax expenses comprise both Current Tax and Deferred Tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities using the applicable tax rates. Deferred Tax Assets and Liabilities are recognized, if required, for future tax consequence attributable to timing differences between taxable income and accounting income that are measured at relevant enacted tax rates.

x. Impairment

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

xi. Provisions ,Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized, but are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the Financial Statement.

xii. Earnings per Share

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

xiii. Cash Flow Statement

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

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



ARSHIYA NORTHERN FTWZ LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2015****4. Share Capital**

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Authorised 2,50,00,000 (2,50,00,000) Equity Shares of ₹10/- each	25,00,00,000	10,00,00,000
Issued, subscribed and fully paid 95,50,626 (95,50,626) Equity shares of ₹10/- each fully paid up	9,55,06,260	9,55,06,260
Total	9,55,06,260	9,55,06,260

(a) Terms/rights attached to the Equity Shares

The Company has one class of equity share having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The shareholders who held shares on the record date are entitled to dividend as may be proposed by the Board of Directors and is subject to approval of the Shareholders at the ensuing General Meeting.

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

(b) Reconciliation of shares outstanding at the beginning and at the end of the year**Equity Shares**

	As at 31st March, 2015 Number	(Amount in ₹)	As at 31st March, 2014 Number	(Amount in ₹)
Balance at the beginning of the year	95,50,626	9,55,06,260	79,46,624	7,94,66,240
Issued during the year	-	-	16,04,002	1,60,40,020
Balance at the close of the year	95,50,626	9,55,06,260	95,50,626	9,55,06,260

(c) Shares held by the Holding Company

	As at 31st March, 2015 Number	(Amount in ₹)	As at 31st March, 2014 Number	(Amount in ₹)
Arshiya Limited *	95,50,626	9,55,06,260	95,50,626	9,55,06,260.00
	95,50,626	9,55,06,260	95,50,626	9,55,06,260

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

	As at 31st March, 2015 Number	% of holding	As at 31st March, 2014 Number	% of holding
Equity Share of ₹ 10/- fully paid up				
Arshiya Limited *	95,50,626	100.00	95,50,626	100.00
Total	95,50,626	100.00	95,50,626	100.00

* Notes :-

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

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



ARSHIYA NORTHERN FTWZ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2015

5. Reserves and Surplus

(Amount in ₹)

	As at Year 31st March 2015	As at Year 31st March 2014
Securities Premium Reserve		
Balance as at the beginning of the year	3,04,70,51,500	2,70,21,96,671
Add : On issue of Equity Shares	-	34,48,60,430
Less : Utilised for Stamp Duty and Other Fees paid for increase in Share Capital	-	5,601
Balance at the close of the year	3,04,70,51,500	3,04,70,51,500
Revaluation Reserve		
Balance as at the beginning of the year	2,02,37,38,932	-
Add : On revaluation of land	-	2,02,37,38,932
Balance at the close of the year	2,02,37,38,932	2,02,37,38,932
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	(68,25,18,339)	(19,87,86,641)
(Loss) for the year	(58,68,20,590)	(48,37,31,698)
Less: Adjustment for Depreciation (Refer Note no. 3(iv))	(6,50,404)	-
Balance at the close of the year	(1,26,99,89,333)	(68,25,18,339)
Total	3,80,08,01,099	4,38,82,72,093

6. Long Term Borrowing

(Amount in ₹)

	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Secured:				
Term Loans from Banks: (Refer Note no. 35)				
Fund-Based Term Loans	2,12,30,92,737	2,52,33,02,920	2,14,45,381	-
Funded Interest Term Loans (FITL)	33,57,29,253	43,06,86,484	2,91,93,848	-
	2,45,88,21,990	2,95,39,89,404	5,06,39,229	-
Other				
Term Loan	37,49,77,154	-	37,87,648	-
Funded Interest Term Loans (FITL)	5,90,84,326	-	51,37,767	-
	43,40,61,480	-	89,25,415	-
Unsecured:				
From Holding Company (Refer note no. 26)	33,38,19,845	30,41,46,300	-	-
From Fellow Subsidiaries	3,36,77,354	-	-	-
	36,74,97,199	30,41,46,300	-	-
Total	3,26,03,80,669	3,25,81,35,704	5,95,64,644	-

(a) The Term loans and Funded Interest Term Loans are secured as under :-

(i) Securities provided

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

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

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

(Amount in ₹)

Financial year	Banks		Others	
	Term Loans	FITL	Term Loans	FITL
2015-2016	2,14,45,381	2,91,93,848	37,87,648	51,37,767
2016-2017	2,14,45,381	2,91,93,848	37,87,648	51,37,767
2017-2018	6,43,36,144	2,91,93,848	1,13,62,944	51,37,767
2018-2019	19,30,08,431	10,21,78,468	3,40,88,832	1,79,82,186
2019-2020	19,30,08,431	10,21,78,468	3,40,88,832	1,79,82,186
2020-2021	21,44,53,812	7,29,84,620	3,78,76,480	1,28,44,419
2021-2022	21,44,53,812	-	3,78,76,480	-
2022-2023	21,44,53,812	-	3,78,76,480	-
2023-2024	25,73,44,574	-	4,54,51,776	-
2024-2025	25,73,44,574	-	4,54,51,776	-
2025-2026	25,73,44,574	-	4,54,51,776	-
2026-2027	23,58,99,193	-	4,16,64,128	-
Total	2,14,45,38,117	36,49,23,100	37,87,64,802	6,42,22,093

b) Loan from Holding Company

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



ARSHIYA NORTHERN FTWZ LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2015****7. Other Long Term Liabilities**

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Security Deposit	9,92,500	9,92,500
Total	9,92,500	9,92,500

8. Provisions

(Amount in ₹)

	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Employee benefits				
Gratuity	3,13,283	18,76,344	-	7,53,000
Leave Encashment	2,59,050	4,65,657	50,677	94,999
	5,72,333	23,42,001	50,677	8,47,999
Expenses	-	-	20,54,000	4,48,993
	-	-	20,54,000	4,48,993
Total	5,72,333	23,42,001	21,04,677	12,96,992

9. Short Term Borrowings

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Secured:		
Cash Credit From a bank	3,10,00,000	3,10,00,000
Other	9,91,85,997	9,91,85,997
Total	13,01,85,997	13,01,85,997

(a) Cash credit :**(i) Secured by:**

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

(ii) Rate of Interest on Cash Credit Loan : Base Rate + 3 % p.a.**(b) Other:****(i) Secured by:**

- First pari-passu charge on the Current Assets and Fixed Assets of the Company, both present and future.
- Further secured by First pari-passu charge on entire cashflows, receivables and book debts of the Company, both present and future
- Personal guarantees of two Directors of the Company, being Promoters of the Holding Company.
- Corporate Guarantee of Arshiya Limited (Holding Company).

(ii) Rate of Interest is 1.75% below RCL Prime Lending Rate.**(iii) Particulars of defaults of Principal amount as of 31.03.2015 are as under:**

	Period of Default	Amount of Default (in ₹)
Cash Credit	30-Jun-14	3,10,00,000
Short Term Loan	30-Jun-13	9,91,85,997

10. Trade Payables

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Trade Payables (Refer Note No. 31)	91,21,943	70,75,596
Total	91,21,943	70,75,596



ARSHIYA NORTHERN FTWZ LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2015****11. Other Current Liabilities**

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Current maturities of Long-term Secured Loans: (Refer Note No. 35)		
Loans from Banks:		
Term Loans	2,14,45,381	-
FITL	2,91,93,848	-
Loans from Others:		
Term Loans	37,87,648	-
FITL	51,37,767	-
	5,95,64,645	-
Interest accrued and due		
On Term Loans from Banks	26,63,32,432	-
On FITL from Banks	4,06,91,251	14,68,929
On Term Loans from Others	4,80,52,878	-
On FITL from Others	81,63,357	-
On Cash Credit from Bank	51,03,888	7,88,960
On Short Term loan	3,14,63,242	1,66,84,050
	39,98,07,048	1,89,41,939
Other Liabilities		
Project Creditors (Refer Note No. 31)	40,27,26,480	43,29,41,631
Employees' Dues	61,60,053	84,56,880
	40,88,86,532	44,13,98,512
Statutory Liabilities		
Tax Deducted at Source	1,43,60,281	1,57,32,852
Provident Fund	64,826	47,854
Labour Welfare fund	48	48
Works Contract Tax	13,774	1,51,738
Interest payable on unpaid Tax Deducted at Source	34,57,492	22,85,452
	1,78,96,422	1,82,17,944
Total	88,61,54,646	47,85,58,395

(i) Detail of unpaid term loan and funded interest term loan from Bank and other as on 31-03-2015 is as follows :-

(Amount in ₹)

Period of Default	Banks		Others	
	Term Loans	FITL	Term Loans	FITL
F.Y. 2013-14	13,81,226	814	-	-
Apr-14	1,80,84,019	13,47,006	37,35,762	6,39,684
May-14	1,88,16,920	15,39,023	38,99,645	6,67,514
Jun-14	2,15,43,902	29,68,694	38,24,607	6,51,730
Jul-14	2,21,34,561	37,90,262	39,77,086	6,74,487
Aug-14	2,27,83,167	38,32,301	39,69,004	6,74,487
Sep-14	2,23,52,346	37,48,624	39,77,086	6,72,132
Oct-14	2,31,31,794	38,98,241	40,98,178	6,95,024
Nov-14	2,26,13,757	38,10,940	40,06,400	6,79,459
Dec-14	2,35,98,023	39,76,811	41,81,204	7,09,032
Jan-15	2,38,38,529	40,17,342	42,23,818	7,16,259
Feb-15	2,17,51,020	36,65,548	38,53,944	6,53,537
Mar-15	2,43,03,168	40,95,644	43,06,145	7,30,012
Total	26,63,32,432	4,06,91,251	4,80,52,879	81,63,357

(ii) Detail of unpaid interest on short term loan from others and Cash Credit from Banks as on 31-03-2015 is as follows :-

(Amount in ₹)

Period of Default	Short Term Loan	Cash Credit
F.Y. 2013-14	1,33,13,841	4,16,326
Apr-14	14,91,732	3,59,429
May-14	15,41,456	3,73,027
Jun-14	14,91,732	3,69,973
Jul-14	15,41,456	3,86,661
Aug-14	15,41,456	3,92,305
Sep-14	14,91,732	3,85,366
Oct-14	15,41,456	4,00,506
Nov-14	14,91,732	3,92,195
Dec-14	15,41,456	4,09,931
Jan-15	15,41,456	4,14,806
Feb-15	13,92,283	3,79,118
Mar-15	15,41,456	4,24,246
Total	3,14,63,241	51,03,888



Arshiva Northern FTWZ Ltd

Notes to financial statements for the Year ended 31st March, 2015

12. Tangible assets

	(Amount in ₹)									
	Freehold Land	Building	Plant & Machinery	Furniture & Fixtures	Equipments	Computers	Electrical Installation	Vehicle	As at 31st March, 2015	As at 31st March, 2014
Gross Block										
As at 1 April, 2014	3,25,46,99,084	3,02,13,18,123	40,59,18,648	7,20,34,867	11,12,25,072	1,77,76,073	11,06,75,695	8,16,052	6,99,44,63,613	4,95,15,05,018
Additions	-	-	-	-	-	-	-	-	-	1,92,19,663
Revaluation	-	-	-	-	-	-	-	-	-	2,02,37,38,932
As at 31st March, 2015	3,25,46,99,084	3,02,13,18,123	40,59,18,648	7,20,34,867	11,12,25,072	1,77,76,073	11,06,75,695	8,16,052	6,99,44,63,613	6,99,44,63,613
Depreciation										
As at 1 April, 2014	-	9,70,79,553	3,97,10,074	1,17,89,148	98,43,105	57,82,597	1,00,11,364	2,07,157	17,44,22,998	8,57,28,998
Additions	-	4,78,17,524	2,66,26,147	70,49,364	3,14,95,634	34,42,572	1,18,99,469	1,06,663	12,84,37,373	8,86,94,000
As at 31st March, 2015	-	14,48,97,077	6,63,36,221	1,88,38,512	4,13,38,739	92,25,169	2,19,10,832	3,13,820	30,28,60,370	17,44,22,998
Net Block										
As at 31st March, 2015	3,25,46,99,084	2,87,64,21,046	33,95,82,427	5,31,96,355	6,98,86,333	85,50,904	8,87,64,863	5,02,232	6,69,16,03,243	6,82,00,40,615
As at 31st March, 2014	3,25,46,99,084	2,92,42,38,570	36,62,08,574	6,02,45,719	10,13,81,967	1,19,93,476	10,06,64,331	6,08,895	6,82,00,40,615	-

13. Intangible assets

	(Amount in ₹)		
	Computer Software	As at 31 March, 2015	As at 31 March, 2014
As at 1 April, 2014	12,07,40,959	12,07,40,959	12,07,40,959
As at 31st March, 2015	12,07,40,959	12,07,40,959	12,07,40,959
Amortisation			
As at 1 April, 2014	4,71,10,480	4,71,10,480	2,36,52,612
Additions	3,27,32,712	3,27,32,712	2,34,57,868
As at 31st March, 2015	7,98,43,192	7,98,43,192	4,71,10,480
Net Block			
As at 31st March, 2015	4,08,97,766	4,08,97,766	7,36,30,478
As at 31st March, 2014	7,36,30,478	7,36,30,478	-



ARSHIYA NORTHERN FTWZ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2015

Note 14 Non- Current Investment

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
(Trade and Unquoted)		
In Equity Shares		
478,787 (478,787) Equity Shares of ₹ 10/- each, fully paid up of Arshiya Supply Chain Management Private Limited	11,49,08,880	11,49,08,880
Total	11,49,08,880	11,49,08,880

14.1 The Company has invested in 4,78,787 Equity Shares of Arshiya Supply Chain Management Private Limited, a fellow subsidiary, of ₹ 10/- each at a premium of ₹ 230/- per share aggregating to ₹ 11,49,08,880/- against consideration by discharge of part of its Trade Receivables.

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

15. Loans and Advances

(Amount in ₹)

	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
(Unsecured, Considered Good)				
Capital Advances	-	1,14,00,000	-	-
Deposits (Refer Note No. 26)	1,82,84,105	32,84,105	-	-
(a)	1,82,84,105	1,46,84,105	-	-
Loan and Advances to Related Parties				
Unsecured, considered good	-	-	18,60,412	-
	-	-	18,60,412	-
Other Loans and Advances				
Prepaid expenses	-	-	5,80,989	20,40,337
Income Tax Payments	-	-	92,33,294	4,97,14,479
Other Advances	-	-	21,79,897	16,40,379
Indirect Taxes Receivables (Refer Note No. 42)	-	-	3,75,31,750	3,55,05,624
(b)	-	-	4,95,25,930	8,89,00,819
Total (a+b)	1,82,84,105	1,46,84,105	5,13,86,342	8,89,00,819

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

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Arshiya Industrial & Distribution Hub Limited	8,50,912	-
Arshiya Supply Chain Management Private Limited	10,09,500	-
	18,60,412	-

16. Cash and Bank Balances

(Amount in ₹)

	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Balances with Schedule banks:				
In current accounts	-	-	12,60,082	1,23,50,868
Cash on hand	-	-	46	46
(As Certified by the Management)	-	-	12,60,128	1,23,50,914
Other				
In Margin Deposit Account *	38,67,767	35,69,852	-	-
	38,67,767	35,69,852	-	-
Total	38,67,767	35,69,852	12,60,128	1,23,50,914

* Represents Margin Money kept with a Scheduled Bank against issue of guarantees



ARSHIYA NORTHERN FTWZ LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2015****17. Trade Receivables**

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
(Unsecured, considered good)		
Outstanding for a period		
Exceeding Six Months from the date they were due for payment	13,67,72,582	4,61,93,815
Others	1,02,02,783	5,69,47,779
Total	14,69,75,365	10,31,41,594

17.1 Includes ₹ 145,978,652/- (P.Y. ₹ 102,630,337/-) due from Arshiya Supply Chain Management Private Limited, a fellow subsidiary.

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

18. Revenue from operations

(Amount in ₹)

	Year Ended March, 2015	Year Ended 31st March, 2014
Sale of Services:		
Income from warehousing and handling business	2,30,10,614	8,35,52,904
Total	2,30,10,614	8,35,52,904

19. Other Income

(Amount in ₹)

	Year Ended March, 2015	Year Ended 31st March, 2014
Interest	4,06,117	3,05,568
Sundry Balances Written Back	2,92,42,501	-
Excess Provisions Written Back	-	5,04,498
Miscellaneous Income [Includes ₹ 33,615/- (P.Y. ₹ 92,996/-) exchange gain]	3,60,888	4,07,732
Total	3,00,09,506	12,17,798

20. Cost of Operations

(Amount in ₹)

	Year Ended March, 2015	Year Ended 31st March, 2014
Direct costs	18,55,217	5,66,855
Total	18,55,217	5,66,855

21. Employee Benefits Expense

(Amount in ₹)

	Year Ended March, 2015	Year Ended 31st March, 2014
Salaries and Wages	1,47,45,863	2,91,27,748
Contribution to Provident Fund and Other funds	2,81,474	7,39,420
Employee Welfare and other amenities	6,28,015	12,44,738
Total	1,56,55,352	3,11,11,906

22. Finance costs

(Amount in ₹)

	Year Ended March, 2015	Year Ended 31st March, 2014
Interest on Borrowings	39,89,77,311	41,16,38,009
Interest on unpaid Tax Deducted at Source	12,52,696	20,26,977
Other borrowing costs	20,13,292	45,60,881
Total	40,22,43,299	41,82,25,867



ARSHIYA NORTHERN FTWZ LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2015****23. Other Expenses**

(Amount in ₹)

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Power & Fuel	97,65,652	98,34,470
<u>Repairs and Maintenance</u>		
- Building	11,02,425	15,59,622
- Others	1,00,616	19,07,599
Security expenses	90,83,617	78,91,170
Housekeeping expenses	46,32,812	33,45,536
Insurance	19,49,657	63,18,798
Rates & Taxes	2,09,555	1,49,987
Legal and Professional fees	45,74,847	40,51,603
Travelling and Conveyance expenses	20,56,831	26,91,484
Vehicle expenses	10,90,926	16,96,003
Communication expenses	2,68,586	5,38,068
Printing and Stationery	67,718	1,28,433
Bad Debts	98,980	-
Exchange difference	-	3,10,443
Advertisement and Business Promotion expenses	8,747	7,711
<u>Auditors remuneration</u>		
- Audit fees	5,00,000	2,53,438
- Out of Pocket Expenses	-	3,438
- Other services	-	3,50,000
Miscellaneous expenses	16,24,467	31,30,492
Total	3,71,35,436	4,41,68,295



Arshiya Northern FTWZ Limited

Notes to financial statements for the year ended 31st March, 2015

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

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

a. Brief description of the plans

The Company has various schemes for long-term benefits such as provident fund and gratuity. The Company's defined contribution plans are provident fund and Employees State Insurance where the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity. The employees of the Company are also entitled to leave encashment as per the Company's policy.

b. Defined Contribution plan

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

Employers' Contribution to Provident Fund *	₹ 281,474/- (₹ 739,420/-)
[Includes Administrative Charges, EDLI charges and Employers' Contribution to Employee's Pension Scheme 1995]	

c. Defined benefit plan – Gratuity (unfunded)

(Amount in ₹)

PARTICULARS	As at 31 st March, 2015	As at 31 st March, 2014
I-Actuarial Assumptions:		
Discount Rate	7.80%	9.29%
Rate of Return on plan assets	9.00%	8.70%
Future salary rise	7.00%	7.00%
Attrition rate	15.00%	10.00%
II-Change in Defined benefit obligations:		
Liability at the Beginning of the Year	2,685,650	2,341,535
Service Cost	607,784	529,821
Interest Cost	249,497	187,323
Past Service Cost (Vested and Non Vested benefits)	-	--
Liability Transferred in/(out)	-	254,248
Benefits Paid	-	--
Actuarial (Gain)/Loss	(3,164,031)	(627,277)
Liability at the End of the Year	378,800	2,685,650
III-Fair Value of Planned Assets:		
Fair value of Planned assets at the beginning of the year	56,306	56,306
Expected Return on plan assets	4,899	4,899
Contributions	-	--
Transfer from other company	-	--
Benefits Paid	-	--
Actuarial (Gain)/Loss	4,312	(4,899)
Fair value of Plan assets at the end of the year	65,517	56,306
IV. Actual Return on Plan Assets		
Expected Return on Plan Asset	4,899	4,899
Actuarial Gain/(Loss) on Plan Assets	4,312	(4,899)
Actual Return on Plan Assets	9,211	--
V. Amount Recognized in the Balance Sheet		
Liability at the end of the period	378,800	(2,685,650)
Fair Value of plan assets at the end of the year	65,517	56,306



Arshiya Northern FTWZ Limited

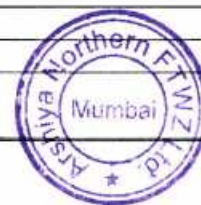
Notes to financial statements for the year ended 31st March, 2015

Difference	313,283	2,629,344
Unrecognized past service cost	-	--
Liability recognized in balance sheet	313,283	2,629,344
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insured managed Fund	N.A.	N.A
VII. Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	607,684	529,821
Interest Cost	249,497	187,323
Expected return on Plan Assets	(4,899)	(4,899)
Net Actuarial (gain)/loss to be recognized	(3,168,343)	(622,378)
Past Service cost	-	--
Expense recognized in Statement of Profit & Loss**	(2,316,061)	89,867
VIII. Balance Sheet Reconciliation		
Opening Net Liability	2,629,344	2,285,229
Expense as Above	(2,316,061)	89,867
Employers Contribution	-	--
Net Transfers from Other Companies	-	254,248
Closing Net Liability	313,283	2,629,344
IX. Expected Employers contribution in the Next year		
As per Actuarial Valuation report	1,000	753,000
X. Experience Adjustment		
On Plan Liability (Gain)/Loss	(3,181,949)	(557,457)
On Plan Asset (Loss)/Gain	4,312	(4,899)

d. Defined Benefit Plan –Leave Encashment(unfunded):

(Amount in ₹)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
I-Actuarial Assumptions:		
Discount Rate	7.80%	9.29%
Rate of Return on plan assets	-	--
Future salary rise	7.00%	7.00%
Attrition rate	15.00%	10.00%
II-Change in Defined benefit obligations:		
Liability at the Beginning of the Year	560,656	2,610,693
Service Cost	168,157	237,356
Interest Cost	52,085	208,855
Liability Transferred in	-	167,885
Liability transferred Out	-	--
Past Service Cost (Vested and Non Vested benefits)	-	--
Curtailment	-	--
Benefits Paid	-	(1,017,368)
Actuarial (Gain)/Loss	(471,171)	(1,646,765)
Liability at the End of the Year	309,727	560,656
III-Fair Value of Planned Assets:		
Fair value of Planned assets at the beginning of the year	-	--
Expected Return on plan assets	-	--
Contributions	-	--
Transfer from other company	-	--
Benefits Paid	-	--
Actuarial (Gain)/Loss	-	--
Fair value of Plan assets at the end of the year	-	--
Total Actuarial gain/(Loss) to be Recognized	-	--



Arshiya Northern FTWZ Limited

Notes to financial statements for the year ended 31st March, 2015

VI .Actual Return on Plan Assets		
Expected Return on Plan Assets	-	--
Actuarial Gain/(Loss) on Plan Assets	-	--
Actual Return on Plan Assets	-	--
V. Liability recognized in the balance sheet		
Liability at the end of the year	309,727	(560,656)
Fair Value of plan assets at the end of the year	-	--
Difference	309,727	(560,656)
Unrecognized past service cost	-	--
Liability recognized in balance sheet	309,727	(560,656)
VI .Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	168,157	237,356
Interest Cost	52,085	208,855
Expected return on Plan Assets	-	--
Net Actuarial (gain)/loss to be recognized	(471,171)	(1,646,765)
Curtailment	-	--
Past Service cost	-	--
Expense recognized in Statement of Profit & Loss	(250,929)	(1,200,554)
VII Balance Sheet Reconciliation		
Opening Net Liability	560,656	2,610,693
Expense as Above	(250,929)	(1,200,554)
Employers Contribution	-	(1,017,368)
Net Transfers from Other Companies	-	167,885
Closing Net Liability	309,727	560,656
VIII Experience Adjustments:		
On Plan Liability (Gain)/Loss	-	(1,600,810)
On Plan Asset (Loss)/Gain	-	--

25. Disclosure pursuant to Accounting Standard 17 - Segment information

The Company is primarily engaged in the Free Trade & Warehousing Zone business. In the opinion of the company, the entire operations are governed by same set of risk and returns and hence the same has been considered as representing the single primary segment.

The Company provides services within India and it doesn't have any operation in economic environments with different risk and returns. Hence it is considered that the Company is operating in single geographical segment.



Arshiya Northern FTWZ Limited

Notes to financial statements for the year ended 31st March, 2015

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

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

S.No	Name of Related Party	Relationship
1	Arshiya Limited	Holding Company
2	Arshiya Supply Chain Management Private Limited	Fellow Subsidiaries
3	Arshiya Transport and Handling Limited	
4	Arshiya Industrial & Distribution Hub Limited	
5	Arshiya Rail Infrastructure Limited	
6	Welldone Software Consultancy Private Limited	Enterprise over which KMP's/Relatives have significant influence
7	Mr. Ajay S. Mittal - Director	Key Management Personnel (KMP)
8	Mrs. Archana Mittal - Director	
9	Mr. Navnit Choudhary - Director	

Note:

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

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

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

(Amount in ₹)

Transactions	Fellow Subsidiaries		Holding Company		Enterprise over which KMP/Relatives exercises significant Influence	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Share Capital						
Share Capital held as at the beginning of the year	--	--	95,509,260	79,466,240	--	--
Issue of Shares during the year (excluding securities premium)	--	--	--	16,040,020	--	--
Share Capital held as at the end of the year	--	--	95,509,260	95,509,260	--	--
Loan Taken						
Balance as at the beginning of the year	--	--	304,146,300	121,869,738	--	--
Loan Taken during the year	33,677,354	159,412,055	35,087,508	583,488,412	--	--
Loan (Repaid)/(adjusted) during the year	--	(159,412,055)	(5,413,962)	(120,311,400)	--	--
Conversion of Share Application money	--	--	--	80,000,000	--	--
Issue of Equity Shares including Securities Premium	--	--	--	(360,900,450)	--	--
Balance as at the end of the year	33,677,354	--	333,819,845	304,146,300	--	--
Loan Given						
Balance as at the beginning of the year	--	--	--	--	--	--
Loan Given during the	2,279,795	--	--	--	--	--



Arshiya Northern FTWZ Limited

Notes to financial statements for the year ended 31st March, 2015

year						
Loan (Repaid)/(adjusted) during the year	(419,383)	--	--	--	--	--
Balance as at the end of the year	1,860,412	--	--	--	--	--
Investment in Equity Shares	114,908,880	114,908,880	--	--	--	--
Account Receivable as at the beginning of the year	102,630,337	168,489,707	--	--	--	--
Services Provided	20,451,630	79,813,294	--	--	--	--
Amount Received/Credit Notes/TDS deducted	(17,130,442)	(30,763,784)	--	--	--	--
TDS reversed	40,017,627	--	--	--	--	--
Adjusted against investment in Equity Shares	--	(114,908,880)	--	--	--	--
Account Receivable as at the end of the year	145,978,652	102,630,337	--	--	--	--
Security Deposit Given	--	--	--	--	15,000,000	--
Corporate guarantees/securities given	1,000,000,000	850,000,000	--	--	--	--
Corporate guarantees/securities received	300,000,000	300,000,000	3,482,441,159	3,070,606,475	--	--

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

The number of shares used in computing Basic and Diluted Earning Per Share is the weighted average number of shares outstanding during the year (Including the pending allotments)

Computation of Earnings Per Share (Basic and Diluted)	2014-15	2013-14
Net (Loss) attributable to Shareholders (₹)	(586,820,590)	(483,731,698)
Weighted average number of Equity Shares for basic and Diluted	9,550,626	8,355,315
Nominal Value per share (₹)	10	10
Earning Per Share - Basic(₹)	(61.44)	(57.90)



Arshiya Northern FTWZ Limited

Notes to financial statements for the year ended 31st March, 2015

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

According to the Company, the present business activity of "Free Trade & Warehousing Zone" shall be eligible for deductions under section 80-IAB of the Income Tax Act, 1961 for ten consecutive assessment years falling within a period of fifteen assessment years beginning with the assessment year 2012-13 i.e. the year, the Company started commercial operations.

In view of the loss for the year, no provision for taxation has been made.

In absence of virtual certainty of generating adequate future taxable income, Deferred Tax Asset for the year is not recognised.

29. Contingent liability not provided for in respect of:

(Amount in ₹)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Guarantees/Securities to a Non-Banking Finance Company in respect of loan taken by a fellow subsidiary.	1,00,00,00,000	85,00,00,000
(b) Claims against the Company not acknowledged as Debt	10,00,99,646	-
(c) Right to recompense by Secured Lenders	18,80,00,000	10,10,00,000

30. Capital and Other Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid) ₹ Nil (previous year ₹ 4,21,41,597/-).

31. Outstanding dues to Micro and Small Enterprises

The company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure, if any, relating to amounts unpaid as at the year-end together with interest payable as required under the said act have not been given.

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

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

Particulars	Foreign currency amount			Equivalent amount (in ₹)	
	Currency	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Accounts receivable	USD	14,655	17,185	8,88,607	1,040,575
Accounts receivable	EURO	1,998	1,177	1,37,107	95,910
Project Creditors	USD	36,851	36,851	22,72,231	21,81,947



Arshiya Northern FTWZ Limited

Notes to financial statements for the year ended 31st March, 2015

Foreign Currency Transactions
Earnings in foreign currency:

(Amount in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Income from FTWZ operations	2,742,874	2,717,636
Total	2,742,874	2,717,636

33. Preparation of financial statements on "Going Concern" basis

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

- (a) Package under Corporate Debt Restructuring approved by the Secured Lenders.
- (b) The Restructuring of the Business Operations by a fellow subsidiary. (Refer note no. 38).

34. Scheme of Amalgamation

(a) The Board of Directors of the Company at its meeting held on 24.01.2014 approved Scheme of Amalgamation (the Scheme) under Section 391/394 of the Companies Act, 1956 of amalgamation of the Company with Arshiya Transport and Handling Limited (amalgamated company). The Scheme also provides for amalgamation of Arshiya Industrial & Distribution Hub Limited (amalgamating company) with the amalgamated company. The Equity Shareholders of the respective Companies have approved the scheme.

(b) The Scheme inter-alia provides that:

- (i) On and from 01.01.2014 (the appointed date), the entire businesses and the whole of the undertakings of the Company as "Going Concern" with all assets, properties and liabilities shall stand transferred and vested in the amalgamated company.
- (ii) Issue and allotment by the amalgamated company of 1 (one) fully paid equity share of ₹ 10/- each for every equity share of ₹ 10/- each held by the shareholders of the Company as consideration.
- (iii) Transactions between the appointed date and effective date of the Company shall be for and on behalf of the amalgamated company.

(c) The Scheme is filed with Hon. High Court of Bombay on 27.03.2014 and is pending for approval.



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Arshiya Northern FTWZ Limited

Notes to financial statements for the year ended 31st March, 2015

35. Corporate Debt Restructuring(CDR)

35.1 During the previous year, Secured Lenders (Banks) have approved the restructuring package under "Corporate Debt Restructuring Package" (CDR), which inter-alia provides for:

- (a) (i) Reschedulement of the Principal amounts of the loans and dates thereof.
- (ii) Funding of unpaid interest on the Term Loans for the period from November 2012 to March 2014.
- (iii) Waiver of all liquidated damages/penal charges/penal interest/excess interest i.e. in excess of documented rates of all the facilities from the cut-off date i.e. 1st November, 2012 till the implementation of the package.

(b) A right to recompense in favour of Secured Lenders.

35.2 This year, the Company has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted into Company's borrowings becoming "Non Performing Assets" (NPA's) with the Banks.

35.3 Such defaults entitle the CDR lenders to reverse the waiver/sacrifices granted by them, which is estimated to be ₹ 188,000,000/- as on 31st March, 2015.

35.4 During the year, a lender, State Bank of Travancore (SBT) who was part of the "Corporate Debt Restructuring" (CDR) has assigned its respective outstanding dues in favour of Edelweiss Asset Reconstruction Company (EARC) on the same terms and conditions as applicable to said lender.

36. Provision for Interest

The Company has provided interest for the year:

- (a) In respect of loans from banks, on the basis of statements received from them and in absence thereof, as per the concessional rates (excluding penal interest) as mentioned in Letter Of Approval (LOA) under the CDR.
- (b) In respect of loans assigned to EARC, on the basis of balance confirmations received from them.

37. Tax Deducted at Source

During the year,

- (a) The Company had deducted income tax at source (TDS) aggregating to ₹ 3,162,330/- during the earlier years from the amounts payable to various parties. The Company has not paid the said TDS to the government on assumption that such parties would have paid their income tax dues on the income declared by them in the respective years. Accordingly, during the year, the Company has transferred an amount of ₹ 3,162,330/- back to the respective parties.
- (b) The Company has written back an aggregate amount of ₹ 1,053,643/- representing interest on unpaid tax deducted at source provided in earlier years on the premise that since the corresponding tax deducted is not payable as mentioned in Note no. (a) above, interest thereon is not payable.



Arshiya Northern FTWZ Limited

Notes to financial statements for the year ended 31st March, 2015

38. Revival Plans

In spite of world class facilities possessed by the Company, various reasons affecting revenues and margins are as follows:

- Lack of Electronic Data Interchange (EDI).
- Delay in duty drawback facility for customers.

Arshiya Industrial & Distribution Hub Limited (AIDHL), a fellow subsidiary is in the process of restructuring its business by moving from Industrial Hub to Inland Container Depot (ICD), which shall result into the Company attracting cargo from the ICD and resolving the EDI connectivity at the Company's facility.

Further, the existing rail infrastructure facility of a fellow subsidiary, Arshiya Rail Infrastructure Limited, adjacent to the ICD would facilitate speedy and efficient movement of containers which shall be the Company's Unique Selling Proposition.

The above restructuring of business by the Company along with the fellow subsidiaries shall enable it to achieve sustainable operations.

39. Fixed Assets

In view of the revival plans of the Company as referred to in note no. 38, in the opinion of management, the carrying value of the Fixed Assets are not estimated to be lower than the recoverable values and hence, no provision for impairment of Fixed Assets is called for.

- 40.** The Company has aligned its depreciation policy in accordance with Schedule II to the Companies Act, 2013 with effect from 1st April, 2014 and has accordingly provided depreciation based on revised respective useful life of the assets. Till previous year, the Company provided depreciation on Straight Line Method basis as per the rates prescribed in Schedule XIV of Companies Act, 1956. This change has resulted into current year depreciation being higher by ₹ 50,706,905/-

41. Capital Work-in-Progress [CWIP]

- (a) The Company has suspended capital expenditure on Phase II due to non optimum utilisation of existing capacity. The Management expects to complete Phase II during implementation of Revival Plans for which the necessary funds are in the process of being tied-up. In the opinion of the Management, the deferment of implementation of Phase II has not impaired the future economic life of the assets held under Capital Work-in-Progress at this juncture and hence, no provision for impairment of assets is called for.
- (b) During the year, the management decided to discontinue further development of its Software for Warehouse Management and hence, a sum of ₹ 14,074,976/- is written off.

42. Indirect Taxes Receivable

Other Loans and Advances includes:

- (a) Refunds receivable in respect of VAT, Service Tax, Local Entry Tax and Service Tax in respect of prior years aggregating to ₹ 14,270,271/- as claimed by the Company for which Orders are awaited.
- (b) Refund of Service Tax in respect of Financial Year 2010-11 for ₹ 4,210,469/- for which appeal is pending with Commissioner of Appeals, Central Excise.



Arshiya Northern FTWZ Limited

Notes to financial statements for the year ended 31st March, 2015

- (c) Refunds of Excise Duty, VAT and CST aggregating to ₹ 17,024,884/- for the Financial Year 2010-11 for which the appeals are pending with the respective Appellate Tribunals.

The Management is of the view that the refunds claimed as above are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds.

43. The Company has given second charge on all its assets to Capital First Limited to secure the Term Loan of Rs. 100 Crores (Previous Year Rs. 85 Crores) granted to Arshiya Supply Chain Management Private Limited, a fellow subsidiary. The amount outstanding of the said loan as on 31st March, 2015 is ₹ 660,455,555/- (P.Y. ₹ Nil).

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

(Amount in ₹)			
Sr. No.	Exceptional items	2015	2014
1	Capital Advance Written Off	11,400,000	--
2	Interest on delayed payment of TDS written back (Refer Note No. 37)	(1,053,643)	--
3	Unpaid Balances Written Back	(1,988,065)	--
4	Capital Work-in-Progress Written Off (Refer Note No. 41(b))	14,074,976	--
5	Interest waiver on Restructuring of Secured Loans	--	(37,722,391)
Total		22,433,268	(37,722,391)

45. The Company is of the view that the provisions of Section 185 of the Companies Act, 2013 as regards inter Company advances/loans/guarantees granted/received to/from group companies are not applicable, as the same are provided/received in the normal course of business.
46. Certain lenders and creditors have filed winding up petitions/cases/other legal proceedings for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. Claims by the said lenders and creditors have been contested by the Company in those proceedings and not acknowledged as debts. It is not possible at this juncture to estimate the financial implications of such claims.
47. Outstanding balances in respect of Trade Receivables, Loans and Advances, Trade Payables and Other liabilities other than due from/to Holding/Fellow Subsidiaries are subject to confirmations. Adjustments, if any, shall be made in the financial statements of the year in which such differences are accepted.
48. Previous year's figures have been regrouped, reclassified, rearranged and recast wherever necessary to conform to those of current year presentation.



Arshiya Northern FTWZ Limited

Notes to financial statements for the year ended 31st March, 2015

Signatures to Notes forming part of Financial Statements

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

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



Mukul Patel
Partner
Mem. No.: 32489



Ajay S Mittal
Director
DIN: 00226355



Navnit Choudhary
Director
DIN : 00613576

Place: Mumbai
Date: 15th May, 2015





ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED

**Financial Statement for the
Financial Year 2014-15**



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Members Of Arshiya Rail Siding And Infrastructure Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of **ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
- and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d. In our opinion the aforesaid financial statements comply with accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigation which would impact its financial position.
 - ii. The company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



MUKUL M. PATEL
Partner
Membership No. 32489



Place: Mumbai
Date: 15th May, 2015

Annexure to the Independent Auditors' Report

As referred to in the Annexure to the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2015, we report that:

- i. The Company does not have any fixed assets. Therefore, the requirements of Clause 3(i) of the Order are not applicable.
- ii. The nature of the business of the Company does not require it to purchase any inventory and hence, the provisions of clause 3(ii) of the Order are not applicable to the Company
- iii. The Company has not granted any loans to any party, covered in the register maintained under section 189 of the Companies Act, 2013 and hence clause 3(iii) of the Order is not applicable
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase fixed assets and sale of services. We have not noticed any major weaknesses in the internal control system during the course of audit
- v. The Company has not accepted any deposits and hence, the directions of the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provision of the Companies Act 2013 and its rules, are not applicable. Hence clause 3(v) of the Order is not applicable
- vi. According to the information and explanations obtained, the Company is not required to maintain cost records as prescribed under Section 148(1) of the Act pursuant to the Companies (Cost Accounting Records) Rules 2013 notified by the Central Government of India vide notification dated 1 April 2014.
- vii.
 - (a) According to the information and explanations given to us and according to the books and records as produced before us, in our opinion, there is no delay in payment of tax deducted at source by the Company.
 - (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
 - (c) According to the information and explanations given to us there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Hence clause 3(vii)(c) of the Order is not applicable.



- viii. The Company's accumulated losses have exceeded 50% of its net worth. The Company has incurred cash losses in the current as well as in the preceding financial year.
- ix. The Company did not have any dues to banks, financial institution and debenture holder during the year. Hence, provisions of clause 3(ix) of the Order are not applicable to the Company.
- x. According to information and explanations given to us, the Company has not given guarantee for loan taken by others from banks or financial institutions. Hence, provisions of clause 3(x) of the Order are not applicable to the Company.
- xi. According to information and explanations given to us, the Company has not taken any term loan during the year and hence, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of Companies operations, no fraud of material significance on or by the Company has been noticed or reported during the year.

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



Mukul M. Patel
Partner
Membership No. 32489

Place: Mumbai

Date: 15th May, 2015.

ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2015

	Notes	As at 31st March, 2015 (Amount in ₹)	As at 31st March, 2014 (Amount in ₹)
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	5,00,000	5,00,000
Reserves and Surplus	4	(4,90,772)	(4,48,274)
Current Liabilities			
Trade Payables	5	71,038	54,188
Other current liabilities	6	25,648	-
Total		1,05,914	1,05,914
Assets			
Current Assets			
Cash and Bank balances	7	1,05,914	1,05,914
Total		1,05,914	1,05,914


Summary of Significant Accounting Policies 2

See accompanying notes to the financial statements

As per our report of even date attached

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

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


Mukul Patel
Partner
Mem. No. 32489




Ajay S Mittal
Director
DIN : 00226355


Navnit Choudhary
Director
DIN : 00613576

Place : Mumbai
Dated : 15th May, 2015



ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Notes	Year ended March 31, 2015 (Amount in ₹)	Year ended March 31, 2014 (Amount in ₹)
Revenue:			
Total Revenue		-	-
Expenses:			
Other expenses	8	42,498	3,44,354
Total expenses		42,498	3,44,354
Profit before tax		(42,498)	(3,44,354)
Current Tax		-	-
Deferred Tax		-	-
Profit / (Loss) for the year		(42,498)	(3,44,354)

Earnings per equity share

Basic and Diluted	(0.85)	(6.89)
[nominal value of share Rs. 10 each] (Refer Note No. 9)		

Summary of Significant Accounting Policies 2

See accompanying notes to the financial statements

As per our report of even date attached

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

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


Mukul Patel
 Partner
 Mem. No. 32489




Ajay S Mittal
 Director
 DIN : 00226355


Navnit Choudhary
 Director
 DIN : 00613576

Place : Mumbai
 Dated : 15th May, 2015



Arshiya Rail Siding and Infrastructure Limited

Notes to the financial statements for the year ended 31st March, 2015

Notes to the financial statements

1. Corporate Information

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

2. Summary of Significant Accounting Policies

(i) Basis of preparation of financial statements

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

(ii) Use of Estimates

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

(iii) Revenue recognition

Revenue from rail and ancillary operations are accounted on the basis of delivery of cargo, considering substantial completion of contracted services. While recognizing the revenue 7th of the following month is taken as cutoff date for determining the delivery of cargo vis-à-vis completion of contracted services.

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

Revenue from value added services and other activities is recognized based on completion of agreed contracted services.

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

(iv) Accounting for Taxes on Income

Taxes on Income are accounted for in accordance with Accounting Standard - 22 on "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Tax expenses comprise both Current Tax and Deferred Tax. Current tax is measured at the amount expected to be paid to be recovered from the tax authorities using the applicable tax rates. Deferred Tax Assets and Liabilities are recognized, if required, for future tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates.



Arshiya Rail Siding and Infrastructure Limited

Notes to the financial statements for the year ended 31st March, 2015

(v) Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised, but are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the Financial Statement.

(vi) Earnings per Share

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

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



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ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

3. SHARE CAPITAL

	31-Mar-2015 (Amount in ₹)	31-Mar-2014 (Amount in ₹)
Authorised		
50,000 (50,000) Equity Shares of ₹10/- each	5,00,000	5,00,000
Issued, subscribed and fully paid		
50,000 (50,000) Equity shares of ₹10/- each	5,00,000	5,00,000
Total	5,00,000	5,00,000

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

Ordinary Equity Share

	31-Mar-2015		31-Mar-2014	
	Number	(Amount in ₹)	Number	(Amount in ₹)
Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000

b) Terms/rights attached to the Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends to the shareholders who are holding the shares on record date which is subject to the approval of the shareholders in the ensuing Annual 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 in the proportion to the number of equity shares held by the shareholders after distribution of all preferential amounts.

c) Shares held by the Holding company

	31-Mar-2015 Number	31-Mar-2014 Number
Arshiya Rail Infrastructure Limited	50,000	50,000
Total	50,000	50,000

Note :- Shares held by the holding company includes 600 shares fully paid up, held through declaration of beneficial interest as per Section 187C of the Companies Act, 1956.

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

	31-Mar-2015		31-Mar-2014	
	Amount (₹)	% of holding	Amount (₹)	% of holding
Equity Share of ₹ 10/- fully paid up Arshiya Rail Infrastructure Limited	5,00,000	100	5,00,000	100
Total	5,00,000	100	5,00,000	100

Note :-

Shares held by the Holding company includes 600 share fully paid up, held through declaration of beneficial interest as per Section 187C of the Companies Act, 1956.



ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

4. RESERVES AND SURPLUS		
	31-Mar-2015	31-Mar-2014
	Amount in ₹	Amount in ₹
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	(4,48,274)	(1,03,920)
(Loss) for the year	(42,498)	(3,44,354)
Closing Balance	(4,90,772)	(4,48,274)
Total Reserves and Surplus	Total (4,90,772)	(4,48,274)
5. TRADE PAYABLES		
	31-Mar-2015	31-Mar-2014
	Amount in ₹	Amount in ₹
Trade Payables (Refer No. 11)	71,038	54,188
Total	71,038	54,188
6. OTHER CURRENT LIABILITIES		
	31-Mar-2015	31-Mar-2014
	Amount in ₹	Amount in ₹
Advance from Arshiya Rail Infrastructure Limited	25,648	-
Total	25,648	-
7. CASH AND CASH EQUIVALENTS		
	31-Mar-2015	31-Mar-2014
	Amount in ₹	Amount in ₹
Cash and cash equivalents - Current		
Balances with a bank In current account	1,05,914	1,05,914
Total	1,05,914	1,05,914
8. OTHER EXPENSES :		
	31-Mar-2015	31-Mar-2014
	Amount in ₹	Amount in ₹
Legal and Professional Fees	18,500	5,618
Miscellaneous expenses	8,998	2,658
Auditors remuneration - Audit fees	15,000	11,236
Travel expenses	-	3,24,842
Total	42,498	3,44,354



ARSHIYA RAIL SIDING AND INFRASTRUCTURE LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

9 Computation of Earnings per share (Basic and Diluted)	31-Mar-2015	31-Mar-2014
Net (Loss) attributable to shareholders	(42,498)	(3,44,354)
Weighted average number of equity shares Outstanding	50,000	50,000
Nominal value per share (₹)	10	10
Basic & Diluted EPS	(0.85)	(6.89)

10 Deferred Tax

In absence of virtual certainty of generating adequate future taxable income, Deferred Tax Asset for the year is not recognised.

11 Outstanding dues to Micro and Small Enterprises

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosures, if any, relating to amounts unpaid as at the year-end together with interest payable as required under the said Act have not been given.

12 Previous Year Figures

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

As per our report of even date

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



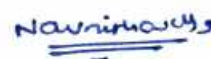
Mukul Patel
Partner
Membership No.: 32489
Place: Mumbai
Dated : 15th Mar. 2015



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



Ajay S. Mittal
Director
DIN : 00226355



Navnit Choudhary
Director
DIN : 00613576





Arshiya Rail Infrastructure Limited
Financial Statement for the
Financial Year 2014-15



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Members of
ARSHIYA RAIL INFRASTRUCTURE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Arshiya Rail Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control systems over financial reporting and the operating



effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

1. The Company continues to be under severe financial stress as reflected by:
 - (a) All the secured borrowings turning into Non Performing Assets (refer Note no. 35).
 - (b) Substantial Creditors remaining outstanding to be paid.
 - (c) Unpaid full and final employees' dues amounting to Rs. 7,075,060/-.
 - (d) Unpaid statutory dues amounting to Rs. 11,127,706/-.

Despite the foregoing, these accounts have been prepared on a going concern basis in view of the following:

- (i) "Corporate Debt Restructuring" approved by the Secured Lenders (Banks) (Note no 35).
- (ii) Future Business Plans which would result into higher revenues and margins. (Note No. 37).

2. Further to above, we draw attention to the following Notes to the Financial Statements:

- (i) Note No. 38 Re. Tax Deducted at Source;
- (ii) Note No. 41 Re. Fixed Assets; and
- (iii) Note No. 46 Re. Loans/Guarantees granted/received.

Our Opinion is not modified in respect of these matters.



Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion the aforesaid financial statements comply with accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164(2) of the Act; and
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer to Note Nos. 30 (f) and 47 to the financial statements;
 - ii. The company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



Mukul Patel
Partner
Membership No. 032489

Place: Mumbai
Date: 15th May, 2015

Annexure to the Independent Auditors' Report

As referred to in the Annexure to the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2015, we report that :

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
- ii. (a) As explained to us, the inventories of stores and spares were physically verified during the year by the Management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has granted interest free unsecured loans to three parties covered in the register maintained under Section 189 of the Companies Act, 2013. The terms of arrangement do not stipulate any repayment schedule and the loans are receivable after one year but within five years, hence the question of repayment during the year does not arise. There are no overdue amounts exceeding Rs. One lakh as of year-end with respect to such loans granted.
- iv. In our opinion and according to information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of Inventory and Fixed Assets and sale of Services. During the course of our audit, we have not observed any major weakness in such internal control system. Further, the activities carried on by the Company do not require sale of goods.
- v. The Company has not accepted any deposits and hence, the directions of the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provisions of the Companies Act 2013 and its rules, are not applicable. Hence clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed books of accounts maintained by the Company in respect of services rendered pursuant to rules made by Government of India with regard to the maintenance of cost records as prescribed under sub section (1) of section 148 of the Companies Act, 2013 and are of opinion that, prima facie, the prescribed basic cost records have been made and maintained. We have, however, not made detailed examination of cost records with a view to determine whether they are accurate or complete.
- vii. (a) The Company is generally regular in depositing undisputed applicable statutory dues, *except, income tax deducted at source and work contract tax. The arrears of such outstanding as of the year-end for a period of more than six months from their due dates of payment are Rs. 7,414,367/- and Rs. 1,231,673/- respectively.*



(b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

(c) According to the information and explanations given to us, the Company does not have any amount which is pending to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made thereunder.

- viii. *Accumulated losses at the end of the financial year are not less than 50% of its net worth. The Company has incurred cash losses during the year and in the immediately preceding financial year.*
- ix. *The Company has not issued any debentures. Based on our audit procedures and according to the information and explanations given by the management, during the year, the Company, taking into account approved Corporate Debt Restructuring Package, has defaulted in repayment of dues to Banks and a Financial Institution, the defaults whereof are stated hereunder:*

default on account of non payment of interest is stated as under :

	Banks			
Period of Default	Term Loans	FITL	Short Term Loan	Working Capital Term Loan
<i>F.Y. 2013-14</i>	-	-	1,885,458	-
<i>Apr-14</i>	-	-	1,635,157	-
<i>May-14</i>	336,810	2,548,280	1,687,656	3,548,971
<i>Jun-14</i>	10,060,394	4,129,052	1,634,596	4,320,122
<i>Jul-14</i>	44,836,938	9,878,804	1,689,513	4,467,333
<i>Aug-14</i>	47,123,783	11,553,829	1,692,736	4,474,673
<i>Sep-14</i>	45,813,823	12,080,195	1,710,819	4,514,797
<i>Oct-14</i>	48,447,012	12,464,844	1,742,018	4,454,646
<i>Nov-14</i>	47,318,917	12,016,378	1,703,435	4,354,884
<i>Dec-14</i>	47,912,021	12,162,866	1,778,011	4,397,836
<i>Jan-15</i>	52,627,634	16,310,121	1,796,585	5,058,636
<i>Feb-15</i>	46,868,303	12,386,978	1,639,674	4,298,808
<i>Mar-15</i>	52,245,861	12,875,904	1,832,482	4,804,302
Total	443,591,496	118,407,251	22,428,140	48,695,008



default on account of non payment of principal amounts are stated as under :

<i>Period of Default</i>	<i>Banks</i>			
	<i>Term Loans</i>	<i>FITL</i>	<i>Working Capital Term Loan</i>	<i>Cash Credit</i>
<i>Jul-14</i>	<i>1,986,021</i>	<i>1,001,319</i>	<i>2,306,667</i>	<i>150,210,600</i>
<i>Aug-14</i>	<i>1,986,021</i>	<i>1,001,319</i>	<i>2,306,667</i>	
<i>Sep-14</i>	<i>1,986,021</i>	<i>1,001,319</i>	<i>2,306,667</i>	
<i>Oct-14</i>	<i>1,986,021</i>	<i>1,001,319</i>	<i>2,306,667</i>	
<i>Nov-14</i>	<i>1,986,021</i>	<i>1,001,319</i>	<i>2,306,667</i>	
<i>Dec-14</i>	<i>1,986,021</i>	<i>1,001,319</i>	<i>2,306,667</i>	
<i>Jan-15</i>	<i>1,986,021</i>	<i>1,001,319</i>	<i>2,306,667</i>	
<i>Feb-15</i>	<i>1,986,021</i>	<i>1,001,319</i>	<i>2,306,667</i>	
<i>Mar-15</i>	<i>1,986,021</i>	<i>1,001,319</i>	<i>2,306,667</i>	
<i>Total</i>	<i>17,874,186</i>	<i>9,011,869</i>	<i>20,760,000</i>	<i>150,210,600</i>

- x. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution and hence the provisions of clause 3 (x) of the Order are not applicable to the Company.
- xi. During the year, no term loans have been obtained by the Company. Hence, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud of material significance on or by the Company has been noticed or reported during the year.

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



Mukul Patel

Mukul Patel
Partner
Membership No. 032489

Place: Mumbai
Date: 15th May, 2015

Arshiya Rail Infrastructure Limited

Balance Sheet as at 31st March, 2015

(Amount in ₹)

	Notes	As at Year 31st March, 2015	As at Year 31st March, 2014
I Equity and Liabilities			
1 Shareholder's Funds			
(a) Share Capital	4	40,88,91,950	40,88,91,950
(b) Reserves and Surplus	5	(10,66,62,627)	93,52,20,707
		30,22,29,323	1,34,41,12,657
2 Non-Current Liabilities			
(a) Long Term Borrowings	6	4,84,44,23,345	4,75,21,88,605
(b) Long Term Provisions	7	21,37,878	25,61,307
		4,84,65,61,223	4,75,47,49,912
3 Current Liabilities			
(a) Short Term Borrowings	8	15,02,10,600	16,14,42,323
(b) Trade Payables	9	7,36,61,901	12,38,81,095
(c) Other Current Liabilities	10	1,24,73,08,927	55,87,00,377
(d) Short Term Provisions	7	3,49,37,881	6,76,57,258
		1,50,61,19,309	91,16,81,053
Total		6,65,49,09,855	7,01,05,43,622
II Assets			
1 Non-Current Assets			
(a) Fixed assets			
i. Tangible Assets	11	6,06,83,14,756	6,44,77,29,779
ii. Intangible Assets	12	37,58,54,219	40,93,16,902
iii. Capital Work-in-Progress		2,07,64,914	2,07,64,914
		6,46,49,33,889	6,87,78,11,595
(b) Non Current Investment	13	-	-
(c) Long Term Loans and Advances	14	5,65,36,213	5,18,01,925
(d) Other Non-Current Assets	17	32,16,979	25,00,000
		6,52,46,87,081	6,93,21,13,520
2 Current Assets			
(a) Inventories	15	41,97,644	46,33,621
(b) Trade Receivables	16	2,84,25,591	6,13,81,313
(c) Cash and Bank Balances	17	3,56,23,197	72,67,693
(d) Short-Term Loans and Advances	14	6,10,60,242	51,13,264
(e) Other Current Assets	18	9,16,100	34,210
		13,02,22,774	7,84,30,102
Total		6,65,49,09,855	7,01,05,43,622

Summary of Significant Accounting Policies 3

See accompanying notes to the financial statements

As per our report of even date

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

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

Mukul Patel
Mukul Patel
Partner
Mem. No. 32489



Ajay S Mittal
Ajay S Mittal
Managing Director
DIN : 00226355

Navnit Choudhary
Navnit Choudhary
Director
DIN : 00613576

Place: Mumbai
Date: 15th May, 2015



Savita Dalal
Savita Dalal
Company Secretary

Arshiya Rail Infrastructure Limited

Statement of Profit and Loss for the year ended 31st March- 2015

		(Amount in ₹)	
Particulars	Notes	Year ended March 31, 2015	Year ended March 31, 2014
Revenue:			
I Revenue From Operations	19	2,38,23,90,187	1,93,34,75,399
II Other Income	20	1,53,11,157	2,70,39,653
III Total Revenue (I+II)		2,39,77,01,344	1,96,05,15,052
IV. Expenses:			
Cost of Operations	21	2,11,79,24,760	1,79,43,27,083
Employee Benefits Expenses	22	7,49,04,705	8,91,02,948
Finance Cost	23	78,47,72,885	74,21,97,092
Depreciation and Amortization Expenses	11 & 12	39,32,53,760	33,73,94,454
Other Expenses	24	7,14,46,108	14,97,59,839
Total Expenses		3,44,23,02,218	3,11,27,81,416
V (Loss) Before Exceptional Item & Taxes (III-IV)		(1,04,46,00,875)	(1,15,22,66,364)
VI Prior Period Expenses		37,34,828	-
VII (Loss) Before Prior Period Item & Taxes (V-VI)		(1,04,83,35,703)	(1,15,22,66,364)
VIII Exceptional Items (Refer Note No. 45)		(73,74,318)	88,10,26,074
IX Loss for the year (VII-VIII)		(1,04,09,61,385)	(2,03,32,92,438)
Earning per equity share:(refer note no. 28)			
(1) Basic		(25.46)	(62.51)
(2) Diluted		(25.46)	(62.51)
Face value per share - Rs 10			

See accompanying notes to the financial statements

As per our report of even date

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

Mukul Patel
Partner
Mem. No. 32489



Place: Mumbai
Date: 15th May, 2015

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

Ajay S Mittal
Managing Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

Savita Dalal
Company Secretary



Arshiya Rail Infrastructure Limited

Cash Flow Statement for the Year Ended 31st March, 2015

	(Amount in ₹)	
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before tax	(1,04,09,61,385)	(2,03,32,92,438)
Adjustment for :		
Depreciation/Amortisation	39,41,75,710	33,73,94,454
Interest Income	(18,71,514)	(25,07,430)
(Profit)/Loss on sale of Assets	-	99,21,512
Fixed Assets Written off	2,63,32,826	-
Finance Expense	78,47,72,885	74,21,97,092
Sundry Balances Written back (net)	(1,21,85,034)	-
Bad debts written off	-	86,81,94,690
Provision for Dimunition in value of investments	-	5,00,000
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	15,02,63,489	(7,75,92,120)
Movement in working capital		
Increase/(decrease) in Trade Payables	(5,02,19,195)	(30,50,85,504)
Increase/(decrease) in Short Term Provision	(3,27,19,377)	1,85,78,162
Increase/(decrease) in Long Term Provision	(4,23,429)	(927)
Increase/(decrease) in Other Current Liabilities	5,88,27,828	1,96,17,925
(Increase)/decrease in Trade Receivable	3,29,55,722	43,70,86,796
(Increase)/decrease in Long Term Loan and Advances	(47,34,288)	5,24,50,981
(Increase)/decrease in Short Term Loan and Advances	(5,59,46,978)	1,69,67,738
(Increase)/decrease in Inventories	4,35,977	(23,20,071)
(Increase)/decrease in Other Current Assets	(8,81,890)	-
CASH GENERATED FROM/(USED IN) OPERATING ACTIVITY	9,75,57,858	15,97,02,980
Taxes paid/(refund) net		(72,48,601)
NET CASH FROM OPERATING ACTIVITIES (A)	9,75,57,858	15,24,54,379
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets and addition to Capital work-in-progress (net)	(81,00,000)	(32,76,85,903)
Capital Advances	-	44,56,56,347
Proceeds from Sale of Fixed Assets	-	14,77,80,074
Investment of Fixed Deposit in form of Margin Money	(7,16,979)	21,00,000
Interest Received	18,71,514	27,72,772
NET CASH FROM INVESTING ACTIVITIES (B)	(69,45,465)	27,06,23,291
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital Issued	-	8,38,24,910
Proceeds from Share Premium on issue of Share Capital	-	1,25,73,73,650
Proceeds from Long Term Borrowings	15,83,66,586	-
Repayment of Long Term Borrowings (net)	-	(52,07,48,255)
Proceeds/(Payment) from/of Short Term Borrowings (net)	(1,12,31,723)	(38,84,88,393)
Interest paid	(20,93,91,753)	(86,27,45,908)
NET CASH FROM FINANCING ACTIVITIES (C)	(6,22,56,890)	(43,07,83,996)
Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)	2,83,55,503	(77,06,326)
Cash and cash equivalents at the beginning of the year	72,67,693	1,49,74,019
Cash and cash equivalents at the end of the year	3,56,23,197	72,67,693

Notes:

a. Cash and Cash equivalents includes : Cash ₹ 20,02,901/- Bank Balance in Current Accounts ₹ 1,79,65,712/-

b. The Cash Flow Statement has been prepared under the "Indirect Method" set out in the Accounting standard 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India

As per our report of even date

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

Mukul Patel
 Partner
 Mem. No. 32489



Place: Mumbai
 Date: 15th May, 2015

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

Ajay S Mittal
 Managing Director
 DIN : 00226355

Navnit Choudhary
 Director
 DIN : 00613576

Savita Dalal
 Company Secretary

Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

1. Corporate Information

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

2. Basis of Preparation of Financial Statements

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

These accounts are prepared by applying the "Going Concern" assumption based on future business plans as referred in Note No. 37.

3. Summary of Significant Accounting Policies:

(i) Use of Estimates:

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

(ii) Fixed Assets

(a) Tangible Fixed Assets

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

(b) Intangible Fixed Assets

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

(c) Capital work-in-progress

The cost of fixed assets which are not ready for its intended use are carried at cost comprising direct costs, related incidental expenses and attributable interest.

(iii) Borrowing Costs

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



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

(iv) Depreciation and Amortization

(a) Tangible Assets

Depreciation on all Tangible Assets is provided on the Straight Line Method in accordance with Schedule II to the Companies Act, 2013 (Refer Note no. 42).

(b) Intangible Assets

- (i) Rail License fees paid for transfer of Concession Agreement is amortized over a period of twenty years, being the license period as per the agreement.
- (ii) Software (intangible asset other than (iii) below), is amortized on a straight-line basis over a period of three to six years from the date of its implementation based on management's estimate of useful life over which economic benefits will be derived from its use.
- (iii) Cost of Enterprise Resource Planning (ERP) software (intangible asset) including expenditure on implementation is amortised over a period of ten years based on management's estimate of useful life over which economic benefits will be derived from its use.

(v) Leases

Operating lease

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

(vi) Investments

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

(vii) Inventory

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

(viii) Revenue Recognition:

- a) Revenue from rail and ancillary operations are accounted on the basis of delivery of cargo, considering substantial completion of contracted services. While recognizing the revenue, 7th of the following month is taken as cutoff date for determining the delivery of cargo vis-à-vis completion of contracted services
- b) Revenue from Handling and allied services is recognized on the basis of loading/unloading of container/cargo, considering the same as substantial completion of contracted services.
- c) Interest and Other Income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted on receipt basis.



Signature



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

(ix) Employee benefits

Employee benefits include Provident Fund, Gratuity and Leave Encashment entitlements.

a) Defined Contribution Plan

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

b) Defined Benefit Plan

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

(x) Accounting for Taxes on Income

Taxes on Income are accounted for in accordance with Accounting Standard - 22 on "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Tax expenses comprise both Current Tax and Deferred Tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities using the applicable tax rates. Deferred Tax Assets and Liabilities are recognized, if required, for future tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates.

(xi) Impairment

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

(xii) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised, but are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the Financial Statement.

(xiii) Earnings per Share

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



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

(xiv) Cash Flow Statement

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

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



Signature

Signature

Arshiya Rail Infrastructure Limited

Notes to financial statements for the Year ended 31st March, 2015

4. Share Capital

	(Amount in ₹)	
	As at 31st March 2015	As at 31st March 2014
Authorised		
4,50,00,000 (4,50,00,000) Equity Shares of ₹10/- each	45,00,00,000	45,00,00,000
Issued, Subscribed and fully paid		
40,889,195 (40,889,195) Equity Shares of ₹ 10/- each	40,88,91,950	40,88,91,950
Total	40,88,91,950	40,88,91,950

(a) Terms/rights attached to the equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends to the shareholders who are holding the shares on record date which is subject to the approval of the shareholders in the ensuing Annual 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 in the proportion to the number of equity shares held by the shareholders after distribution of all preferential amounts.

(b) Reconciliation of shares outstanding at the beginning and at the end of the year**Equity Shares**

	As at 31st March 2015		As at 31st March 2014	
	Number	(Amount in ₹)	Number	(Amount in ₹)
Balance at the beginning of the year	4,08,89,195	40,88,91,950	3,25,06,704	32,50,67,040
Issued during the year	-	-	83,82,491	8,38,24,910
Balance at the closing of the year	4,08,89,195	40,88,91,950	4,08,89,195	40,88,91,950

(c) Shares held by the Holding /Fellow Subsidiary

	(Number)	
	As at 31st March 2015	As at 31st March 2014
Arshiya Limited (Holding Company)*	3,87,32,491	3,87,32,491
Arshiya Hongkong Limited (Fellow Subsidiary)	21,56,704	21,56,704
Total	4,08,89,195	4,08,89,195

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

	As at 31st March 2015		As at 31st March 2014	
	Number	% of holding	Number	% of holding
Equity Share of Rs 10/- fully paid up				
Arshiya Limited (Holding Company)*	3,87,32,491	94.73	3,87,32,491	94.73
Arshiya Hongkong Limited (Fellow Subsidiary)	21,56,704	5.27	21,56,704	5.27
Total	4,08,89,195	100.00	4,08,89,195	100.00

*** Notes :-**

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

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



5. Reserves & Surplus

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Securities Premium Reserve		
Balance as at the beginning of the year	2,36,03,48,442	1,10,29,74,792
Add : on issue of Shares during the year	-	1,25,73,73,650
Balance as at close of the year	2,36,03,48,442	2,36,03,48,442
Revaluation Reserve	98,10,78,791	98,10,78,791
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	(2,40,62,06,526)	(37,29,14,088)
Add: Loss for the year	(1,04,09,61,385)	(2,03,32,92,438)
Less: Adjustment for Depreciation (Refer Note No. 3(iv))	(9,21,950)	-
Balance as at the end of the year	(3,44,80,89,860)	(2,40,62,06,526)
Total	(10,66,62,627)	93,52,20,707

6. Long Term Borrowings

(Amount in ₹)

	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Secured (Refer Note No.35)				
Term Loans from Banks				
Term Loans	1,75,96,24,698	3,55,65,29,783	2,67,96,315	1,78,72,009
Funded Interest Term Loans (FITL)	43,86,95,643	77,00,33,445	89,52,972	77,77,234
Working Capital Term Loans (WCTL)	-	40,63,18,961	-	2,13,85,208
	2,19,83,20,341	4,73,28,82,189	3,57,49,288	4,70,34,451
Others				
Term Loans	1,76,15,89,981	-	2,68,26,243	-
Funded Interest Term Loans (FITL)	44,44,67,496	-	90,70,765	-
Working Capital Term Loans (WCTL)	37,36,80,000	-	4,15,20,000	-
	2,57,97,37,476	-	7,74,17,009	-
Unsecured				
Inter Corporate Loan				
From Holding Company	6,63,65,528	1,93,06,416	-	-
	6,63,65,528	1,93,06,416	-	-
Total	4,84,44,23,345	4,75,21,88,605	11,31,66,297	4,70,34,451

- (a) The Term loans are secured as under :-
- First charge on all present and future movable assets (including rakes, containers, equipments) and immovable properties of the company, including intangibles assets.
 - Second charge by way of Hypothecation of the entire current assets including receivables of the company.
 - 100% equity shares of the Company held by Holding Company and Arshiya Honkong Limited to be pledge.
 - Irrevocable and unconditional personal guarantees from Director and a Relative of Director, being Promoters of Holding Company.
 - Corporate Guarantee from Holding Company.
- (b) The Funded Interest Term loans are secured as under :-
- First charge on all present and future movable assets (including rakes, containers, equipments) and immovable properties of the company, including intangibles assets.
 - Second charge by way of Hypothecation of the entire current assets including receivables of the company.
 - 100% equity shares of the Company held by Holding Company and Arshiya Honkong Limited to be pledge.
 - Irrevocable and unconditional personal guarantees from Director and a Relative of Director, being Promoters of Holding Company.
 - Corporate Guarantee from Holding Company.
- (c) The Working Capital Term loan is secured as under :-
- First charge by way of Hypothecation of the entire current assets including receivables of the company.
 - Second mortgage and charge on all present and future movable assets (including rakes, containers, equipments) and immovable assets of the company, including intangibles assets.
 - 100% equity shares of the Company held by Holding Company and Arshiya Honkong Limited to be pledge.
 - Irrevocable and unconditional personal guarantees from Director and a Relative of Director, being Promoters of Holding Company.
 - Corporate Guarantee from Holding Company.
- (d) Rate of Interest :
- on Term loans and Funded Interest Term Loans @ 15.25% p.a. upto March, 2016 and @ 16.25% thereafter.
 - on Working Capital Term Loan @ 12% p.a.



- (e) Repayment Schedule of Term loan and Funded Interest Term Loan from Banks as stated in CDR Letter of Approval is as follows :-

Year	(Amount in ₹)	
	Term Loan	FITL
2014-2015	89,32,105	44,76,486
2015-2016	1,78,64,210	44,76,486
2016-2017	3,57,28,420	5,37,17,834
2017-2018	8,93,21,051	11,19,12,154
2018-2019	8,93,21,051	20,14,41,877
2019-2020	21,43,70,522	7,16,23,779
2020-2021	25,00,98,942	-
2021-2022	25,00,98,942	-
2022-2023	26,79,63,152	-
2013-2024	27,68,95,257	-
2024-2025	28,58,27,362	-
Total	1,78,64,21,013	44,76,48,616

- (f) Repayment Schedule of Term loan, Funded Interest Term Loan and Working Capital Term Loan from Others as stated in CDR Letter of Approval is as follows :-

Year	Term Loan	FITL	Working Capital Term Loan
2014-2015	89,42,081	45,35,383	2,07,60,000
2015-2016	1,78,84,162	45,35,383	2,07,60,000
2016-2017	3,57,68,324	5,44,24,591	2,07,60,000
2017-2018	8,94,20,811	11,33,84,565	4,15,20,000
2018-2019	8,94,20,811	20,40,92,217	4,15,20,000
2019-2020	21,46,09,947	7,25,66,122	12,45,60,000
2020-2021	25,03,78,271	-	14,53,20,000
2021-2022	25,03,78,271	-	-
2022-2023	26,82,62,434	-	-
2013-2024	27,72,04,515	-	-
2024-2025	28,61,46,596	-	-
Total	1,78,84,16,224	45,35,38,261	41,52,00,000

- (g) Details of continuing default in repayment of Principal amount of Term Loan and Funded Interest Term Loans (FITL) of Secured loans from Banks as on 31st March, 2015 is as follows :-

Period of Default	(Amount in ₹)	
	Term Loans	FITL
Jul-14	9,92,456	4,97,387
Aug-14	9,92,456	4,97,387
Sep-14	9,92,456	4,97,387
Oct-14	9,92,456	4,97,387
Nov-14	9,92,456	4,97,387
Dec-14	9,92,456	4,97,387
Jan-15	9,92,456	4,97,387
Feb-15	9,92,456	4,97,387
Mar-15	9,92,456	4,97,387
Total	89,32,105	44,76,486

- (h) Details of continuing default in repayment of Principal amount of Term Loan, Funded Interest Term Loans (FITL) and Working Capital Term Loan (WCTL) of Secured Loans from Others as on 31st March, 2015 is as follows :-

Period of Default	(Amount in ₹)		
	Term Loans	FITL	WCTL
Jul-14	9,93,565	5,03,931	23,06,667
Aug-14	9,93,565	5,03,931	23,06,667
Sep-14	9,93,565	5,03,931	23,06,667
Oct-14	9,93,565	5,03,931	23,06,667
Nov-14	9,93,565	5,03,931	23,06,667
Dec-14	9,93,565	5,03,931	23,06,667
Jan-15	9,93,565	5,03,931	23,06,667
Feb-15	9,93,565	5,03,931	23,06,667
Mar-15	9,93,565	5,03,931	23,06,667
Total	89,42,081	45,35,383	2,07,60,000

i) Inter Corporate Loan

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



7. Provisions

(Amount in ₹)

	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Provision for Employee Benefits				
Leave Travel Allowance	-	-	32,98,901	30,82,383
Gratuity	-	-	-	7,57,925
Leave Encashment	21,37,878	25,61,307	4,91,165	5,14,555
	21,37,878	25,61,307	37,90,066	43,54,863
Other Provisions				
Provision for Expenses	-	-	3,11,47,815	6,33,02,395
	-	-	3,11,47,815	6,33,02,395
Total	21,37,878	25,61,307	3,49,37,881	6,76,57,258

8. Short Term Borrowings

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Secured		
Cash Credit from a Bank	-	16,14,42,323
Other Short Term Borrowings	15,02,10,600	-
Total	15,02,10,600	16,14,42,323

a) The Cash Credit loan is secured as under:-

- First charge by way of Hypothecation of the entire current assets including receivables of the company.
- Second mortgage and charge on all present and future movable assets (including rakes, containers, equipments) and immovable assets of the company, including intangibles assets.
- 100% equity shares of the Company held by Holding Company and Arshiya Honkong Limited to be pledge.
- Irrevocable and unconditional personal guarantees from Director and a Relative of Director, being Promoters of Holding Company.
- Corporate Guarantee from Holding Company.

b) Rate of Interest on Cash Credit Loan : 12.00% p.a.**c) The whole amount of other short term borrowings amounting to Rs. 150,210,600/- as on 31st March, 2015 is overdue.****9. Trade Payables**

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Unsecured		
Trade Payables*	7,36,61,901	12,38,81,095
Total	7,36,61,901	12,38,81,095

(* Refer Note no. 32 for dues to Micro, Small and Medium Enterprises)




10. Other Current Liabilities

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Current Maturities of Long Term Borrowings (refer note no. 6)		
Loans from Banks:		
Term Loans	2,67,96,315	1,78,72,009
FITL	89,52,972	77,77,234
WCTL	-	2,13,85,208
Loans from Others:		
Term Loans	2,68,26,243	-
FITL	90,70,765	-
WCTL	4,15,20,000	-
	11,31,66,296	4,70,34,451
Interest Accrued and due:		
On Term Loans from Banks	22,29,28,287	-
On FITL from Banks	6,29,44,342	1,74,25,074
On Term Loans from Others	22,06,63,209	-
On FITL from Banks from Others	5,54,62,909	-
On WCTL from Others	4,86,95,008	-
On Short Term Loan from Others	2,24,28,139	-
On Trade Payable (Secured)	-	4,03,15,688
	63,31,21,894	5,77,40,762
Statutory Liabilities		
Tax Deducted at Source	96,48,211	5,03,00,903
Service Tax	-	20,17,866
Provident Fund	2,42,022	1,43,466
Work Contract Tax	12,31,673	16,11,540
VAT	-	4,71,775
Employee Professional Tax	5,800	12,405
Interest on delayed payment of Statutory Dues	79,58,410	1,50,25,078
	1,90,86,116	6,95,83,033
Advance received from Customers	48,13,903	1,33,16,475
Other Liabilities		
Project Creditors:		
- Secured (Refer Note (a) below)	-	21,25,00,000
- Unsecured	46,15,07,490	13,98,28,010
Security Deposit received	35,20,000	17,25,414
Employees Dues	1,20,93,228	1,69,72,232
	47,71,20,718	37,10,25,656
Total	1,24,73,08,927	55,87,00,377

(a) Project Creditors (Secured):

i) Secured by pledge of 45 lacs equity share's of ₹ 10 each of the Company held by its Holding Company.

ii) Rate of interest is 14% per annum from 1st April, 2013 to 30th September, 2013 and 13% per annum thereafter.

(b) Detail of unpaid Interest on Term Loans and FITL from Banks as on 31-03-2015 are as follows:

(Amount in ₹)		
Period of Default	Term Loans	FITL
May-14	3,36,810	17,61,969
Jun-14	59,82,442	31,49,604
Jul-14	2,30,49,516	55,03,015
Aug-14	2,35,22,152	57,13,640
Sep-14	2,29,73,946	59,69,487
Oct-14	2,44,15,016	63,51,090
Nov-14	2,36,50,447	60,28,797
Dec-14	2,39,46,886	60,98,892
Jan-15	2,61,38,252	97,81,029
Feb-15	2,29,79,209	59,96,721
Mar-15	2,59,33,611	65,90,097
Total	22,29,28,287	6,29,44,341

(c) Detail of unpaid Interest on Short Term Loan, Long Term Loans, FITL and WCTL from Others as on 31-03-2015 are as follows:

(Amount in ₹)				
Period of Default	Other Short Term	Term Loans	FITL	WCTL
FY 2013-14	18,85,458	-	-	-
Apr-14	16,35,157	-	-	-
May-14	16,87,656	-	7,86,311	35,48,971
Jun-14	16,34,596	40,77,952	9,79,448	43,20,122
Jul-14	16,89,513	2,17,87,422	43,75,789	44,67,333
Aug-14	16,92,736	2,36,01,631	58,40,189	44,74,673
Sep-14	17,10,819	2,28,39,877	61,10,708	45,14,797
Oct-14	17,42,018	2,40,31,996	61,13,754	44,54,646
Nov-14	17,03,435	2,36,68,470	59,87,581	43,54,884
Dec-14	17,78,011	2,39,65,135	60,63,974	43,97,836
Jan-15	17,96,585	2,64,89,382	65,29,092	50,58,636
Feb-15	16,39,674	2,38,89,094	63,90,257	42,98,808
Mar-15	18,32,482	2,63,12,250	62,85,807	48,04,302
Total	2,24,28,140	22,06,63,209	5,54,62,910	4,86,95,008

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Arshiya Rail Infrastructure Limited

Notes to financial statements for the year ended 31st March, 2015

11. Tangible assets

	FreeHold Land	Building	Plant & Equipment	Railway Terminal	Computer	Furniture & Fixtures	Vehicles	Total
(Amount in ₹)								
Gross Block								
As at 1 April, 2014	1,73,73,07,634	7,32,60,041	3,57,47,44,282	1,77,56,56,799	42,75,470	22,81,457	20,09,348	7,16,95,35,031
Additions	-	-	81,00,000	-	-	-	-	81,00,000
Deletion {Note below}	-	2,87,50,187	1,81,663	-	1,87,566	12,800	-	2,91,32,216
As at 31st March 2015	1,73,73,07,634	4,45,09,854	3,58,26,62,619	1,77,56,56,799	40,87,904	22,68,657	20,09,348	7,14,85,02,815
Depreciation								
As at 1 April, 2014	-	29,37,207	59,83,49,921	11,61,93,513	25,74,991	8,42,111	9,07,509	72,18,05,252
Additions	-	7,89,921	24,23,85,631	11,55,38,258	12,73,918	1,89,555	3,09,646	36,04,86,929
Disposals	-	21,04,122	-	-	-	-	-	21,04,122
As at 31st March 2015	-	16,23,006	84,07,35,552	23,17,31,771	38,48,909	10,31,666	12,17,155	1,08,01,88,059
Net Block								
At 31 March 2015	1,73,73,07,634	4,28,86,848	2,74,19,27,067	1,54,39,25,028	2,38,995	12,36,991	7,92,193	6,06,83,14,756
At 31 March 2014	1,73,73,07,634	7,03,22,834	2,97,63,94,361	1,65,94,63,286	17,00,479	14,39,346	11,01,839	6,44,77,29,779
12. Intangible assets								
(Amount in ₹)								
Gross Block								
As at 1 April, 2014								
Additions								
As at 31st March 2015								
Amortisation								
As at 1 April, 2014								
Additions								
As at 31st March 2015								
Net Block								
As at 31st March, 2015								
As at 31st March, 2014								
Note:								

The Company's proposal for renewal of lease of land taken from Vishakhapatnam Port Trust on perpetual basis has not been favorably considered and therefore, the value of the Assets of ₹ 2,63,32,826/- including Building constructed thereon (net of depreciation provided till last year) has been written off during the year.



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13. Non Current Investment

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
(Trade and Unquoted)		
50,000 (50,000) Equity Shares of Arshiya Rail Siding Infrastructure Limited of Rs. 10 each, fully paid up*	5,00,000	5,00,000
Less: Provision for Diminution in Value of Investments	5,00,000	5,00,000
Total	-	-

Note: Arshiya Rail Siding Infrastructure Limited is 100 % subsidiary of Arshiya Rail infrastructure Limited.

* (Refer Note No.:34)

14. Loans and Advances

(Amount in ₹)

	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Capital Advances				
Unsecured, Considered Good	18,22,142	33,03,775	-	-
	18,22,142	33,03,775	-	-
Security Deposits				
Unsecured, Considered Good	1,08,27,512	1,27,31,046	-	-
	1,08,27,512	1,27,31,046	-	-
Loan and Advances to Related Parties				
Unsecured, considered good	-	-	5,24,47,785	4,620
	-	-	5,24,47,785	4,620
Trade Advance to Suppliers				
Unsecured, considered good	-	-	56,86,404	17,61,646
	-	-	56,86,404	17,61,646
Other Loans and advances				
Advance Income Tax (Net of Provision)	4,18,34,894	3,57,67,104	-	-
Other Advances (Refer Note No. 44)	-	-	20,00,000	-
Advance to Employees	-	-	2,00,969	21,41,407
Prepaid Expenses	-	-	7,25,084	12,05,591
Service Tax Input Credit	20,51,665	-	-	-
	4,38,86,559	3,57,67,104	29,26,053	33,46,998
Total	5,65,36,213	5,18,01,925	6,10,60,242	51,13,264

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

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Arshiya Industrial & Distribution Hub Limited	1,87,44,783	4,620
Arshiya Supply Chain Management Private Limited	-	-
Arshiya Rail Sidings Infrastructure Limited	25,648	-
Arshiya Northern FTWZ Limited	3,36,77,354	-
Total	5,24,47,785	4,620

15. Inventories

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Stores and Spares parts	41,97,644	46,33,621
Total	41,97,644	46,33,621

16. Trade Receivables

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
(Unsecured, considered good)		
Outstanding for a period		
- exceeding six months from the date they became payable	1,60,572	77,58,159
- others	2,82,65,019	5,36,23,154
Total	2,84,25,591	6,13,81,313

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17. Cash and Bank Balances

(Amount in ₹)

	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Cash and Cash Equivalents				
Balance with Scheduled banks				
In Current Accounts	-	-	1,79,65,712	44,20,479
Cash in Hand(As Certified by the Management)	-	-	20,02,901	28,47,214
	-	-	1,99,68,613	72,67,693
Other Bank Balances				
In Margin Money Deposit	32,16,979	25,00,000	1,56,54,584	-
(Pledged against Bank Guarantees/Letter of Credit)	32,16,979	25,00,000	1,56,54,584	-
Total	32,16,979	25,00,000	3,56,23,197	72,67,693

18. Other Current Assets

(Amount in ₹)

	As at 31st March 2015	As at 31st March 2014
Interest Accrued on Fixed Deposit	4,79,275	34,210
Gratuity Fund (Net of Provision for Gratuity)	4,36,825	-
Total	9,16,100	34,210

19. Revenue from operations

	Year Ended 31st March 2015	Year Ended 31st March 2014
Rail & Allied Services Income	2,38,23,90,187	1,93,34,75,399
Total	2,38,23,90,187	1,93,34,75,399

20. Other Income

(Amount in ₹)

	Year Ended 31st March 2015	Year Ended 31st March 2014
Interest Received :		
- From Banks	7,31,809	12,57,342
- Others	11,39,705	12,50,088
Export Benefits	-	1,50,96,723
Sundry Balances Written Back (net)	1,21,85,034	-
Miscellaneous Income	12,54,609	94,35,500
Total	1,53,11,157	2,70,39,653

21. Cost of Operations

(Amount in ₹)

	Year Ended 31st March 2015	Year Ended 31st March 2014
Rail & Allied Services Charges / Expenses (Refer Note No. 39)	2,11,79,24,760	1,79,43,27,083
Total	2,11,79,24,760	1,79,43,27,083

22. Employee Benefits Expenses

(Amount in ₹)

	Year Ended 31st March 2015	Year Ended 31st March 2014
Salary and Wages	7,30,14,046	8,57,90,718
Contribution to Provident Fund and Other Funds	13,26,119	9,51,466
Gratuity	-	8,25,616
Employee Welfare and other amenities	5,64,540	15,35,148
Total	7,49,04,705	8,91,02,948



23. Finance Cost

(Amount in ₹)

	Year Ended 31st March 2015	Year Ended 31st March 2014
Interest Expenses	77,91,38,125	73,06,30,588
Interest on Delayed Payment of Statutory Dues	56,34,760	1,15,66,504
Total	78,47,72,885	74,21,97,092

24. Other expenses

(Amount in ₹)

	As at Year 31st March 2015	Year Ended 31st March 2014
Electricity charges	6,64,242	18,02,407
Rent	1,49,53,654	2,11,44,458
<u>Repairs and Maintenance</u>		
- Building	26,90,387	59,91,557
- Others	7,39,781	6,79,686
Insurance	20,24,700	63,09,786
Rates & Taxes	3,86,671	4,04,020
Legal and Professional charges	2,01,30,288	1,22,13,220
Bad Debts	91,42,791	-
Claim Recoverable Written Off	8,44,784	3,21,54,688
Advertisement and business promotion expenses	9,450	3,74,800
Bank and Other charges	33,94,201	38,16,980
Communication expenses	18,64,505	18,71,376
Travelling and conveyance expenses	77,41,426	1,00,26,962
Vehicle expenses	13,34,949	24,87,692
Printing and stationery	3,38,169	4,93,050
Security charges	35,49,111	48,50,624
<u>Auditors Remuneration</u>		
- Audit fees	8,00,000	5,00,000
- Other Services	23,500	3,50,000
- Out of Pocket Expenses	14,500	3,933
Miscellaneous expenses	7,98,999	2,28,628
Diminution in Value of Investments	-	5,00,000
Sundry Balance Written off	-	1,83,49,019
Service tax paid on demand	-	1,52,85,442
Loss on Sale of Fixed Assets	-	99,21,512
Total	7,14,46,108	14,97,59,839



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

25. Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits

a – Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

(Amount in ₹)	
Employers' Contribution to Provident Fund	1,326,119
[Includes Administrative Charges, EDLI charges and Employers' Contribution to Employee's Pension Scheme 1995]	(951,466)

b - Defined Benefit Plan –Gratuity (Funded):

The following tables set out the status of Gratuity liability as required by AS-15.

(Amount in ₹)		
PARTICULARS	As at 31 st March, 2015	As at 31 st March, 2014
I-Actuarial Assumptions:		
Discount Rate	7.80%	9.29%
Rate of Return on plan assets	9.00%	8.70%
Future salary rise	7.00%	7.00%
Attrition rate	15.00%	10.00%
II-Change in Defined benefit obligations:		
Liability at the Beginning of the Year	3,566,916	2,598,401
Service Cost	1,125,294	1,029,640
Interest Cost	316,360	207,872
Past Service Cost (Vested and Non Vested benefits)	Nil	Nil
Liability Transferred in/(out)	Nil	142,899
Benefits Paid	(323,077)	Nil
Actuarial (Gain)/Loss	(1,191,060)	(411,896)
Liability at the End of the Year	3,494,433	3,566,916
III-Fair Value of Planned Assets:		
Fair value of Planned assets at the beginning of the year	2,808,991	2,808,991
Expected Return on plan assets	230,328	244,382
Contributions	Nil	Nil
Transfer from other company	Nil	Nil
Benefits Paid	(323,077)	Nil
Actuarial (Gain)/Loss	1,215,016	(244,382)
Fair value of Plan assets at the end of the year	3,931,258	2,808,991
IV. Actual Return on Plan Assets		
Expected Return on Plan Asset	230,328	244,382
Actuarial Gain/(Loss) on Plan Assets	1,215,016	(244,382)
Actual Return on Plan Assets	1,445,344	Nil
V. Amount Recognized in the Balance Sheet		
Liability at the end of the period	3,494,433	3,566,916
Fair Value of plan assets at the end of the year	3,931,258	2,808,991
Difference	(436,825)	757,925
Unrecognized past service cost	Nil	Nil
Liability/(Asset) recognized in balance sheet	(436,825)	757,925
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insured managed Fund	100%	100%
VII. Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	1,125,294	1,029,640



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

Interest Cost	316,360	207,872
Expected return on Plan Assets	(230,328)	(244,382)
Net Actuarial (gain) / loss to be recognized	(2,406,076)	(167,514)
Past Service cost	Nil	Nil
Expense recognized in Statement of Profit & Loss	(1,194,750)	825,616
VIII. Balance Sheet Reconciliation		
Opening Net Liability	757,925	210,590
Expense/(Income) as Above	(1,194,750)	825,616
Employers Contribution	Nil	Nil
Net Transfers to Other Companies	Nil	(142,899)
Closing Net Liability	436,825	757,925
IX. Expected Employers contribution in the Next year		
As per Actuarial Valuation report	289,782	1,783,127
X. Experience Adjustment		
On Plan Liability (Gain) / Loss	(1,412,381)	(110,752)
On Plan Asset (Loss) / Gain	1,215,016	(244,382)

c - Defined Benefit Plan –Leave Encashment (Unfunded):

(Amount in ₹)

PARTICULARS	As at 31 st March, 2015	As at 31 st March, 2014
I. Actuarial Assumptions:		
Discount Rate	7.80%	9.29%
Rate of Return on plan assets	0.00%	0.00%
Future salary rise	7.00%	7.00%
Attrition rate	15%	10.00%
II. Change in Defined benefit obligations:		
Liability at the Beginning of the Year	3,075,862	3,037,547
Service Cost	848,498	766,702
Interest Cost	285,748	243,004
Liability Transferred in	Nil	198,671
Liability transferred Out	Nil	Nil
Past Service Cost (Vested and Non Vested benefits)	Nil	Nil
Curtailment	Nil	Nil
Benefits Paid	Nil	(649,000)
Actuarial (Gain) / Loss	(1,581,035)	(521,062)
Liability at the End of the Year	2,629,073	3,075,862
III. Fair Value of Planned Assets:		
Fair value of Planned assets at the beginning of the year	Nil	Nil
Expected Return on plan assets	Nil	Nil
Contributions	Nil	Nil
Transfer from other company	Nil	Nil
Benefits Paid	Nil	Nil
Actuarial (Gain)/Loss	Nil	Nil
Fair value of Plan assets at the end of the year	Nil	Nil
Total Actuarial gain/(Loss) to be Recognized	Nil	Nil
IV. Actual Return on Plan Assets		
Expected Return on Plan Assets	Nil	Nil
Actuarial Gain/(Loss) on Plan Assets	Nil	Nil
Actual Return on Plan Assets	Nil	Nil
V. Liability recognized in the balance sheet		
Liability at the end of the year	2,629,073	3,075,862

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Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

Fair Value of plan assets at the end of the year	Nil	Nil
Difference	2,629,073	3,075,862
Unrecognized past service cost	Nil	Nil
Liability recognized in balance sheet	2,629,073	3,075,862
VI. Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	848,498	766,702
Interest Cost	285,748	243,004
Expected return on Plan Assets	Nil	Nil
Net Actuarial (gain)/loss to be recognized	(1,581,035)	(521,062)
Curtailment	Nil	Nil
Past Service cost	Nil	Nil
Expense recognized in Statement of Profit & Loss	(446,789)	488,644
VII Balance Sheet Reconciliation		
Opening Net Liability	3,075,862	3,037,547
Expense as Above	(446,789)	488,644
Employers Contribution	Nil	(649,000)
Net Transfers from Other Companies	Nil	198,671
Closing Net Liability	2,629,073	3,075,862
VIII Experience Adjustments:		
On Plan Liability (Gain)/Loss	(1,769,709)	35,663
On Plan Asset (Loss)/Gain	Nil	Nil

26. Disclosure pursuant to Accounting Standard 17 - Segment information

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

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

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

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

S.No	Name of Related Party	Relationship
1	Arshiya Limited	Holding Company
2	Arshiya Rail Siding and Infrastructure Limited	Subsidiary
3	Arshiya Hong Kong Limited Arshiya Northern FTWZ Limited Arshiya Industrial & Distribution Hub Limited Arshiya Supply Chain Management Private Limited	Fellow Subsidiaries
4	Mr. Ajay S Mittal – Managing Director	Key Management Personnel (KMP)
5	Mr. Ranjit Ray Ms. Savita Dalal	Chief Executive Officer Company Secretary



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

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

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

(Amount in ₹)

Transactions	Fellow Subsidiaries		Subsidiary		Holding Company	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Share Capital						
Share Capital held as at the beginning of the year	21,567,040	21,567,040	-	-	387,324,910	303,500,000
Issue of Shares during the year (excluding securities premium)	-	-	-	-	-	83,824,910
Share Capital held as at the end of the year	21,567,040	21,567,040	-	-	387,324,910	387,324,910
Securities Premium received on shares issued during the year	-	-	-	-	-	1,257,373,650
Loan Taken						
Balance as at the beginning of the year	-	-	-	-	19,306,416	1,735,121,618
Loan Taken during the year	-	-	-	-	85,979,925	160,943,384
Loan (Repaid)/(adjusted) during the year	-	-	-	-	(38,920,814)	(539,196,572)
Utilisation of SFIS Scheme	-	-	-	-	-	3,636,547
Issue of Equity Shares including Securities Premium	-	-	-	-	-	(1,341,198,560)
Balance as at the end of the year	-	-	-	-	66,365,528	19,306,416
Land Advance given						
Balance as at the beginning of the year	-	-	-	-	-	399,257,629
Advance given during the year	53,663,004	-	-	-	-	-
Assets received /Advance adjusted during the year	(1,215,219)	-	-	-	-	(295,861,640)
Advance adjusted against loan	-	-	-	-	-	(103,395,989)
Balance as at the end of the year	52,447,785	-	-	-	-	-

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Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

Land Purchased	-	-	-	-	-	238,370,826
Investment in Equity Shares	-	-	500,000	500,000	-	-
Customs Duty benefit availed against SFIS License	-	-	-	-	-	3,636,547
Corporate Guarantees /Collateral Security given	300,000,000	300,000,000	-	-	-	-
Corporate Guarantees /Collateral Security Taken	-	-	-	-	8,331,741,226	4,958,784,037

Remuneration Paid:

Sr. No.	Relationship	31-Mar-15	31-Mar-14
1	Chief Executive Officer	10,512,239	10,500,000
2	Company Secretary	612,242	650,000

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

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

Computation of Earning Per Share (Basic and Diluted)	2014-2015	2013-2014
Net (Loss) attributable to Shareholders (₹)	(1,040,961,385)	(2,033,292,438)
Weighted average number of Equity Shares for basic and diluted	40,889,195	32,529,670
Nominal Value per share (₹)	10	10
Earning Per Share – Basic and diluted (₹)	(25.46)	(62.51)

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

According to the Company, the present business activity of containerized rail operations is eligible for deductions under section 80-IA of the Income Tax Act, 1961 for ten consecutive assessment years falling within a period of twenty assessment years beginning with the assessment year 2009-2010 i.e. the year, in which the company commenced commercial operations.

In view of the loss for the year, no provision for taxation has been made.

In absence of virtual certainty of earning adequate taxable income in the foreseeable future, Deferred Tax Asset for the year is not recognised.



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

30. Contingent Liabilities not provided for in respect of:

(Amount in ₹)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
(a) Capital Goods under EPCG Scheme (Refer Note below)	268,697,480	250,104,211
(b) Bank Guarantee	--	14,400,000
(c) Income Tax Demand	--	1,512,140
(d) Maharashtra VAT Demand	72,22,914	77,22,914
(e) Letter of credit issued by banks (net of liabilities provided)	--	10,000,000
(f) Claims Against the Company not acknowledged as Debt	36,965,172	323,713,601
(g) Right to recompense by Secured Lenders	57,700,000	19,800,000
(h) Guarantee to a Company in respect of loan taken by a fellow subsidiary. (Refer Note No. 43)	30,00,00,000	30,00,00,000

Note: The Company has procured certain Capital goods under EPCG Scheme at concessional rates of duty. As on 31st March, 2015, the Company has a contingent liability to pay differential Custom Duty along with interest thereon on such procurement on non fulfillment of certain conditions. The Management is hopeful of completing the Export Obligation within stipulated time and therefore it does not expect any cash outflow on this account.

31. Capital Projects:

a. The details of pre – operative expenses are as under:

(Amount in ₹)

Nature of expenses	As on 31-03-2015	As on 31-03-2014
Expenditure up to Previous year	-	38,166,837
Less: Amount allocated to fixed assets capitalized during the year.	-	32,566,728
Less : Written off during the year	-	5,600,109
Balance at the close of the year	-	-

32. Outstanding dues to Micro and Small Enterprises

The company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure, if any, relating to amounts unpaid as at the year end together with interest payable as required under the said act have not been given.

33. Operating Leases

The Company has taken on Lease Office Premises and Containers under cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases are ₹ 13,807,750 /- and ₹ 57,805,223/- for the year ended 31st March, 2015 and 31st March, 2014 respectively.



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

34. Investments

The Management is of the opinion that, the decline in the value of Investment held by it in Arshiya Rail Siding Infrastructure Limited (100% subsidiary) of ₹ 5,00,000/- is not temporary and hence, the Company has fully provided for diminution in the value of Investment.

35. Corporate Debt Restructuring(CDR)

35.1 During the previous year, Secured Lenders (Banks) have approved the restructuring package under "Corporate Debt Restructuring Package" (CDR), which inter-alia provided for:

- (a) (i) Reschedulement of the Principal amounts of the loans and dates thereof.
- (ii) Funding of unpaid interest on the Term Loans from November 2012 to June 2014.
 - i. Waiver of all liquidated damages/penal charges/penal interest/excess interest i.e. in excess of documented rate of all the facilities from the cut-off date 1st November, 2012 till the implementation of the package.

(b) A right to recompense in favour of Secured Lenders.

35.2 This year, the Company has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted into Company's borrowings becoming "Non Performing Assets" (NPA's) with the Banks.

35.3 Such defaults entitle the CDR lenders to reverse the waiver/sacrifices granted by them, which is estimated to be ₹ 57,700,000/- as on 31st March, 2015.

35.4 During the year, certain lenders i.e. State Bank of India (SBI), State Bank of Patiala (SBP), State Bank of Travancore (SBT), State Bank of Mysore (SBM) and South Indian Bank who were part of the "Corporate Debt Restructuring" (CDR) have assigned their respective outstanding loans and accrued interest thereon in favour of Edelweiss Asset Reconstruction Company (EARC) on the same terms and conditions as applicable to original lenders.

36. Provision for Interest

The Company has provided interest for the year:

- (a) In respect of loans from banks, on the basis of statements received from them and in absence thereof, as per the concessional rates (excluding penal interest) as mentioned in Letter Of Approval (LOA) under the CDR.
- (b) In respect of loans assigned to EARC, on the basis of balance confirmations received from them.



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

37. Future Business Plans

- The Company's revenue and margins have improved during the year on account of stabilization of Rolling stock, operational efficiencies and expanded service offerings.
- The Company has an established tie-up with key metal producers (contract period between 3-5 years) for its container cargo movement operations in India.
- The favourable consideration of the Company's representation at various levels for rationalization of haulage charges is expected to enhance its revenue and margins.
- The Inland Container Depot (ICD) being set up by a fellow subsidiary is expected to attract more containers, which shall fetch additional business for the Company.

The above steps shall enable the management to improve Company's Net Worth and its ability to discharge the debts / liabilities of the Company in near future. In view of foregoing, the Company's financial statements have been prepared on a "going concern basis".

38. Tax Deducted at Source

During the year,

- (b) The Company had deducted income tax at source (TDS) aggregating to ₹ 42,753,506/- during the earlier years from the amounts payable to various parties. The Company has not paid the said TDS to the government on assumption that such parties would have paid their income tax dues on the income declared by them in the respective years. Accordingly, during the year, the Company has transferred an amount of ₹ 42,753,506/- back to the respective parties.
- (c) The Company has written back an aggregate amount of ₹ 865,147/- representing tax deducted at source on the premise that since the corresponding liability is not payable to the parties, the tax deducted is also not payable
- (d) The Company has written back an aggregate amount of ₹ 9,922,277/- representing interest on unpaid tax deducted at source provided in earlier years on the premise that since the corresponding tax deducted is not payable as mentioned in Note no. (a) & (b) above, interest thereon is not payable.

39. Containers taken on Lease

Rail and Allied Services Charges/Expenses include ₹ 23,904,574/- in respect of operating lease for containers in terms of the settlement with the lessor of the containers.

40. Interest on Secured Creditors

An amount of ₹ 21,091,355/- representing interest provided on Secured Creditor in the earlier years has been written back in terms of settlement reached with the party during the year.



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

41. Fixed Assets

In view of the size of current operations and the future business plans of the Company, the carrying value of the Fixed Assets are not estimated to be lower than the recoverable values and hence, no provision for impairment of Fixed Assets is called for.

42. The Company has aligned its depreciation policy in accordance with Schedule II to the Companies Act, 2013 with effect from 1st April, 2014 and has accordingly provided depreciation based on revised respective useful life of the assets. Till previous year, the Company provided depreciation on Straight Line Method basis as per the rates prescribed in Schedule XIV of Companies Act, 1956. This change has resulted into current year depreciation being higher by ₹ 101,182,601/-.

43. The company has mortgaged its land having an estimated market value of ₹ 11,32,00,000/- as security against the loan of ₹ 30,00,00,000/- granted to its Fellow Subsidiary, Arshiya Northern FTWZ Limited. The outstanding amount of loan granted (including interest accrued) to fellow subsidiary as on 31st March, 2015 is ₹ 13,06,49,239/-.

44. Other advances represents ₹ 20,00,000/- being cash seized by the Income Tax Department at the time of search on 13th June, 2014. The company shall be lodging necessary claim for refund of the same, as according to it:

(a) It was not a "person" under search under section 132 (1) of the Income Tax Act, 1961.

(b) The said cash on hand was duly accounted for in its books of accounts and tallied with balance on hand as on date of search.

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

(Amount in ₹)			
Sr. No.	Exceptional items	2015	2014
1	Write back of Accrued Interest of Secured Creditors (Refer Note No. 40)	(21,091,355)	--
2	Unpaid Balances written back	(2,693,512)	--
3	Interest on delayed payment of TDS written back (Refer Note No. 38)	(9,922,277)	--
4	Fixed Assets Written off (Refer Note No. 11(a))	26,332,826	--
5	Interest waiver on Restructuring of Secured Loans	--	(22,074,280)
6	CWIP Write off	--	34,905,664
7	Bad debts (net of Sundry Credit Balance Written off amounting to ₹ 99,606,445/-)	--	868,194,690
	Total	(7,374,318)	881,026,074

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



Arshiya Rail Infrastructure Limited

Notes to financial statement for the year ended 31st March, 2015

47. Certain lenders and creditors have filed winding up petitions/ cases / other legal proceedings for recovery of the amounts due to them which are at different stages before the respective judicial forums / authorities. Claims by the said lenders and creditors have been contested by the Company in those proceedings and not acknowledged as debts. It is not possible at this juncture to estimate the financial implications of such claims.
48. Outstanding balances in respect of Trade Receivables, Loans and Advances, Trade Payables and Other liabilities other than due from/to Holding/Fellow Subsidiaries are subject to confirmations. Adjustments, if any, shall be made in the accounts of the year in which such differences are crystallised.
49. Previous year's figures have been regrouped, reclassified, rearranged and recasted wherever necessary to conform to those of the current year.

Signatures to Notes forming part of Financial Statements

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

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



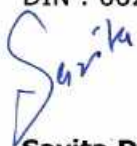
Mukul Patel
Partner
Membership No. 32489



Ajay S Mittal
Managing Director
DIN : 00226355



Navnit Choudhary
Director
DIN : 00613576



Savita Dalal
Company Secretary

Place: Mumbai
Date: 15th May, 2015





ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED

Financial Statement for the

Financial Year 2014-15



↓

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Members of Arshiya Technologies (India) Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
- and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

The Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, in our opinion is not applicable to the Company.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion the aforesaid financial statements comply with accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigation which would impact its financial position.
 - ii. The company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



MUKUL M. PATEL

Partner
Membership No. 32489

Place: Mumbai

Date: 15th May, 2015

ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED

Balance Sheet as at March 31, 2015

(Amount in ₹)

Particulars	Note	As at 31.03.2015	As at 31.03.2014
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	3	10,11,580	10,11,580
(b) Reserves and Surplus	4	2,28,772	3,08,018
		12,40,352	13,19,598
2. Current liabilities			
Other Current Liabilities	5	63,448	59,551
		63,448	59,551
TOTAL		13,03,800	13,79,149
II ASSETS			
1. Current assets			
(a) Cash and Cash Equivalents	6	13,03,800	3,79,149
(b) Short Term Loans & Advances	7	-	10,00,000
		13,03,800	13,79,149
TOTAL		13,03,800	13,79,149

Summary of Significant Accounting Policies

2

See accompanying notes to the financial statements

3 to 12

As per our report of even date

For M.A.Parikh & Co.

Chartered Accountants

Firm Registration No. 107556W

Mukul Patel

Partner

Membership No.: 32489

Place: Mumbai

Date : 15th May, 2015



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

Navnit Choudhary

Navnit Choudhary

Director

DIN No:00613576

Binu Jacob

Binu Jacob

Director

DIN No:06670062



ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2015

(Amount in ₹)

Particulars	Note	For the year ended 31.03.2015	For the year ended 31.03.2014
INCOME			
Other Income		-	-
Total Revenue		-	-
EXPENSES			
Other Expenses	8	79,246	19,642
Total Expenses		79,246	19,642
Loss before prior period expenses		(79,246)	(19,642)
Prior period expenses		-	27,263
Loss before tax		(79,246)	(46,905)
Loss for the year		(79,246)	(46,905)
Earning per Equity Share (nominal value of share Rs.10 each)			
Basic & Diluted		(0.78)	(0.46)

Summary of Significant Accounting Policies

2

See accompanying notes to the financial statements

3 to 12


As per our report of even date

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


Mukul Patel
Partner
Membership No.: 32489
Place: Mumbai
Date : 15th May, 2015



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


Navnit Choudhary
Director
DIN No:00613576


Binu Jacob
Director
DIN No:06670062



ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED

Cash flow statement for the year ended 31st March, 2015

(Amount in ₹)

Particulars		Year Ended 31st March 2015	Year Ended 31st March 2014
Cash Flow From Operating Activities			
Profit/(Loss) before tax		(79,246)	(46,905)
Adjustment for :			
Operating Profit / (Loss) Before Working Capital Changes		(79,246)	(46,905)
Change in Current assets and liabilities			
Decrease / (increase) in Short term Loans and Advances		10,00,000	(10,00,000)
Increase / (Decrease) in Short term liabilities		-	-
Increase / (Decrease) in Current liabilities		3,897	14,607
Cash Generated From / (Used In) Operating Activity		9,24,651	(10,32,298)
Taxes paid / TDS		-	-
Net Cash From Operating Activities	(A)	9,24,651	(10,32,298)
Cash Flow From Investing Activities	(B)	-	-
Net increase / (decrease) in cash and cash equivalents during the year	(A+B)	9,24,651	(10,32,298)
Cash and cash equivalents at the beginning of the year		3,79,149	14,11,447
Cash and cash equivalents at the end of the year		13,03,800	3,79,149

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

Mukul Patel

Mukul Patel
Partner
Membership No.: 32489
Place: Mumbai
Date : 15th May, 2015



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

Navnit Choudhary

Navnit Choudhary
Director
DIN No:00613576

Binu Jacob

Binu Jacob
Director
DIN No:06670062



ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2015

1 Corporate Information

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

2 Summary of significant accounting policies

(a) Basis of Preparation

The financial statements are prepared under the historical cost convention on an accrual basis of accounting and in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") and are in conformity with mandatory accounting standards, as specified in the Companies (Accounting Standards) Rules, 2006 as prescribed by the Central Government and the relevant provisions of the Companies Act, 2013.

(b) Use of Estimates

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

(c) Revenue Recognition

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

(d) Earnings per Share (EPS)

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

(e) Cash Flow Statement

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

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



Particulars	As at 31.03.2015	As at 31.03.2014
3: Share Capital		
Authorised 2,50,000 (Previous Year 2,50,000) Equity shares of 10/- each	25,00,000	25,00,000
Issued, Subscribed and Paid up 1,01,158 (Previous Year 1,01,158) Equity shares of 10/-each fully paid up	10,11,580	10,11,580
Total Issued, Subscribed and fully paid up share capital	10,11,580	10,11,580

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

Particulars	As at 31.03.2015		As at 31.03.2014	
	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	1,01,158	10,11,580	1,01,158	10,11,580
Shares Issued during the year	-	-	-	-
Shares Outstanding at the end of the year	1,01,158	10,11,580	1,01,158	10,11,580

b) Terms / rights attached to the equity shares :

The Company has only one class of equity share having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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

c) Shares held by Holding/Ultimate Holding Company

	As at 31.03.2015	As at 31.03.2014
Equity Shares		
1. 91,158 (previous year: 91,158) equity shares are held by the Holding Company viz Cyberlog Technologies International Pte Limited.	91,158	91,158
2. 10,000 (previous year: 10,000) equity shares are held by the ultimate Holding Company viz Arshiya Limited.	10,000	10,000
Total	1,01,158	1,01,158

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

	As at 31.03.2015		As at 31.03.2014	
	Number	%	Number	%
Equity Shares				
1. Cyberlog Technologies International Pte Ltd (Holding Company)	91,158	90.11	91,158	90.11
2. Arshiya Limited (Ultimate Holding Company)	10,000	9.89	10,000	9.89
Total	1,01,158	100.00	1,01,158	100.00



(Amount in ₹)

	As at 31.03.2015	As at 31.03.2014
4: Reserves and Surplus		
Surplus in Statement of Profit and Loss		
Balance as at beginning of the year	3,08,018	3,54,923
Loss for the year	(79,246)	(46,905)
	2,28,772	3,08,018
Closing balance	2,28,772	3,08,018
5: Other Current Liabilities		
Other Liability (Refer Note No. 11)	63,448	59,551
Total	63,448	59,551
6 : Cash and Cash Equivalents		
Cash in hand	104	104
Balances with banks	13,03,696	3,79,045
Total	13,03,800	3,79,149
7 : Short Term Loans and Advances		
(Unsecured, considered good)		
Share Application Money (Refer Note No. 9)	-	10,00,000
Total	-	10,00,000
	For the year ended 31.03.2015	For the year ended 31.03.2014
8: Other Expenses		
Rates and Taxes	39,341	5,035
Legal and Professional charges	18,500	5,618
Auditor's Remuneration - Audit fees	21,348	8,989
Miscellaneous Expenses	56	-
Total	79,246	19,642



ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2015

9 Related Party Disclosures:

List of Related Party

Ultimate holding Company

- Arshiya Limited

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

- Mega Management Services Private Limited

Key Management Personnel

- Navnit Choudhary

- Binu Jacob

Transaction with Related Party:

Nature of Transactions	Ultimate holding Company	
	As at 31.03.2015	As at 31.03.2014
Reimbursement of Expenses incurred on behalf of the Company	28,094	-
Amount Payable for reimbursement of Expense	28,094	-

Enterprises over which KMP exercise significant control

Nature of Transactions	As at	
	31.03.2015	31.03.2014
Share Application Money Given	10,00,000	10,00,000
Share Application Money (during the year)	3,00,000	-
Refund Received during the year	13,00,000	-
Outstanding as at year end	-	10,00,000

Note: The above related enterprises have been identified by the Company and relied upon by the Auditors.

10 Earnings per share (EPS)	As at	
	31.03.2015	31.03.2014
Profit/(Loss) after tax	(79,246)	(46,905)
Average number of shares Outstanding	1,01,158	1,01,158
Face value per share (Rs.)	10	10
Basic & Diluted EPS	(0.78)	(0.46)

11 Dues to Micro and Small Enterprises

The Company has not received any intimation from "suppliers" regarding their status under the micro, small and medium enterprises Development Act, 2006 and hence the disclosures, if any, relating to amount unpaid as at the year end together with interest payable as required under the said Act have not been given.



ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2015

12 Previous Year Figures

The Company has reclassified previous year figures to conform to current year's classification.

Signatures to Notes forming part of Financial Statements

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



Mukul Patel
Partner
Membership No.: 32489
Place: Mumbai
Date : 15th May, 2015



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



Navnit Choudhary
Director
DIN No:00613576



Binu Jacob
Director
DIN No:06670062

