

Ref: AL/SE/0917/07

Date: 30/09/2017

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra- Kurla Complex, Bandra (East),
Mumbai - 400051.
Fax No. 2659 8237 / 38

Corporate Relationship Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
2nd Floor, Dalal Street,
Mumbai - 400 001
Fax No. 2272 3121/ 2037

Re.: - Arshiya Limited – **NSE Scrip Name: ARSHIYA**
BSE Scrip Code: 506074

Kind attention: Compliance Department

Dear Sir/Madam,

Sub: Submission of Annual Report for the FY 2016-17:

Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of Annual Report of Arshiya Limited for the FY 2016-17, as approved and adopted in the Annual General Meeting of the Company was held on the 26th September, 2017.

Please take the above information on record acknowledge receipt.

Thanking you.

Yours faithfully,

For ARSHIYA LIMITED


Savita Dalal

Company Secretary & Compliance Officer



Arshiya Limited

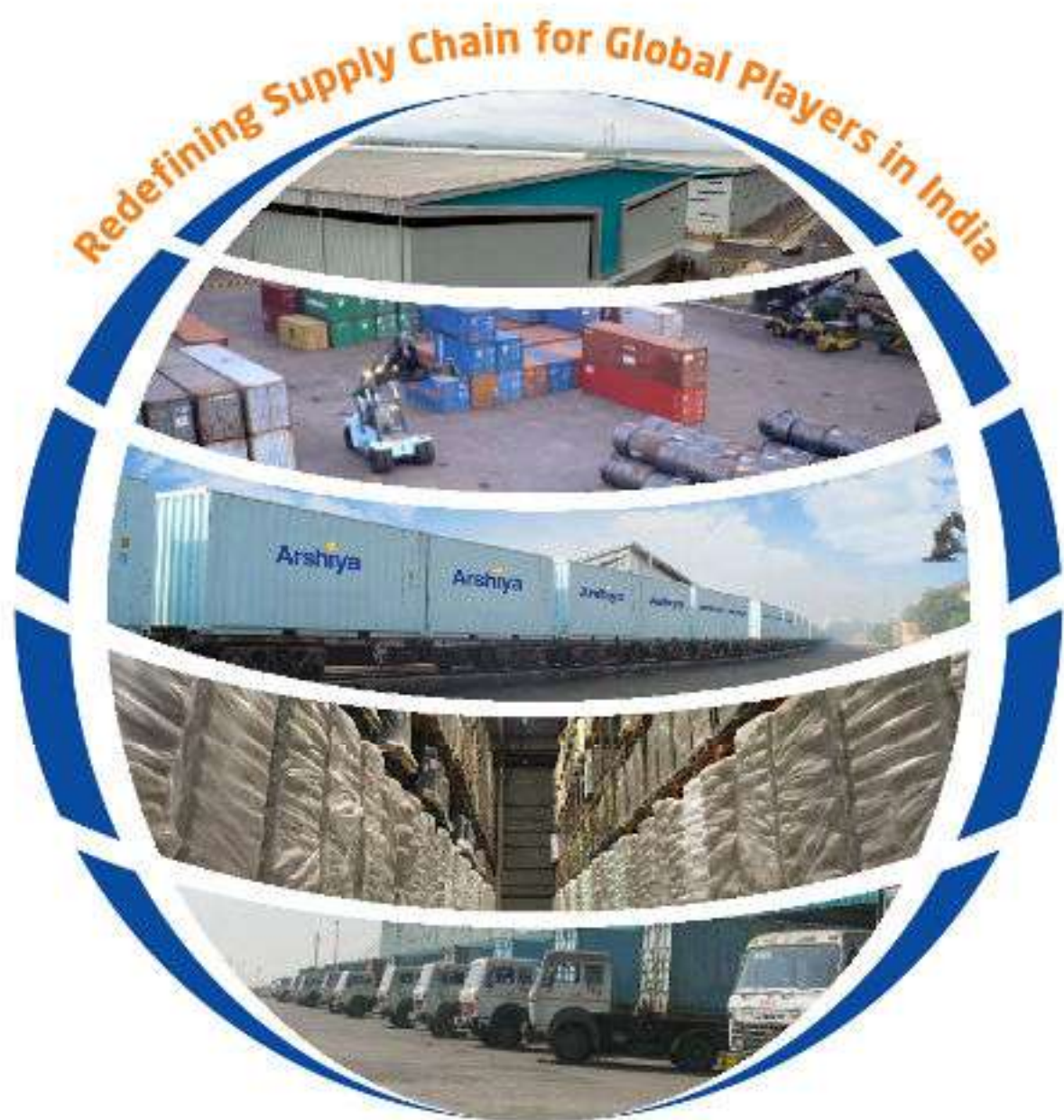
Regd. Off.: 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018. India.

T: +91 22 4230 5500/502 | F: +91 22 4230 5555 | Email: info@arshiyalimited.com | www.arshiyalimited.com

CIN : L93000MH1981PLC024747

Free Trade Warehousing Zones | Rail and Rail Infrastructure | Inland Container Depot | Transport and Handling

Arshiya



Arshiya Limited
ANNUAL REPORT 2016-2017

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CORPORATE INFORMATION

BOARD OF DIRECTORS

(As on 31st March 2017)

Mr. Ajay S Mittal - Chairman and Managing Director
Mrs. Archana A Mittal - Joint Managing Director
Mr. Ashish Bairagra - Non-Executive Independent Director
Mr. Rishabh Shah - Non-Executive Independent Director
Mr. Mukesh Kacker - Non- Executive Independent Director
Mr. G. Raghuram - Non- Executive Independent Director
(Resigned w.e.f. 18th May, 2017)

CORPORATE MANAGEMENT TEAM

(As on 31st March 2017)

Mr. Ananya A Mittal - Chief Strategy Officer
Mr. S Maheshwari - Group president & CFO
Ms. Savita Dalal - Company Secretary & Compliance Officer

AUDITORS

M/s. M. A. Parikh & Co., Chartered Accountants

Statutory Auditor

Yusuf Building, 2nd Floor, 43 Mahatma Gandhi Road,
Fort, Mumbai - 400001

M/s. Jayesh Sangharjka & Co. LLP, Chartered Accountants

Internal Auditor

405-408, Hind Rajasthan Centre, D. S. Phalk Road, Dadar
(E) Mumbai - 400014

Aabid & Co., Company Secretaries

Secretarial Auditor

Capital One Advisory LLP 12, 4th Floor, Sai Sadan 68,
Janma Bhoomi Marg Fort, Mumbai - 400 001

Prashant Karlekar & Associates, Cost Accountants

Cost Auditor

Flat No. 5 & 6, Suasha Soc., Prashant Nagar, WadarWadi,
Naupada, Thane (West) 400 602

BANKERS

Axis Bank
Bank of India
Bank of Baroda
Corporation Bank
HDFC Bank
Indian Overseas Bank
Kotak Mahindra Bank
Punjab National Bank
State Bank of India
Tamilnad Mercantile Bank
The KarurVysya Bank
UCO Bank

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Makwana Road,
Marol, Andheri East, Mumbai - 400059.

Tel: +91 22 62638200

Fax: +91 22 62638299

Email: info@bigshareonline.com

Registered Office

302 Ceejay House, Level 3, Shiv Sagar
Estate, F-Block, Dr. Annie Besant Road,
Worli, Mumbai - 400 018

Tel: +91 22 4230 5500

Fax: +91 22 4230 5555

Website: www.arshiyalimited.com

Email: info@arshiyalimited.com

BOARD OF DIRECTORS



Ajay Mittal
Group Chairman &
Managing Director

Mr. Mittal represents the driving force behind Arshiya in its vision of being India's first Unified Supply Chain & Infrastructure Group. With 22 years of entrepreneurial career, over the last decade Mr. Mittal has successfully scaled Arshiya Limited by adding Free Trade & Warehousing Zones (FTWZs), Rail & Rail Infrastructure, Industrial & Domestic Hub, Forwarding, Supply Chain Technology & Management and Transport & Handling to its unified business portfolio. Today, Arshiya stands at the helm of being not just the first developer and operator of India's first of its kind two FTWZs, but also the second largest Private Container Train Operator (PCTO) in the country.

Under Mr. Mittal's visionary leadership Arshiya Limited is presently working on a phased plan towards infusing USD 1.6 billion into developing pioneering unified supply chain infrastructure across India's strategic locations. Arshiya presently operates state-of-the-art FTWZs, one in the West (Mumbai - Panvel) spanning 165 acres and another in North (Khurja - In the state of UP near New Delhi) spanning 127 acres, near the confluence of the planned eastern and western freight corridors. Arshiya's Khurja zone is part of the 315 acres mega logistics hub which also includes a 50 acres rail siding and 130 acres Industrial & Distribution Hub. Mr. Mittal also plans to have additional zones across Central, South and East of India. Complementing each FTWZ will be Industrial & Distribution Hubs, Rail operations connectivity and Rail terminals. Under Mr. Mittal's guidance, Arshiya Limited has also received national as well as international awards and accolades for its initiatives in the supply chain space. Mr. Mittal's vision is to create a revolution in India's logistics evolution.

Mr. Mittal in his professional career has held key leadership positions in diverse sectors including Commercial and Private Real Estate Development, Financial Services, Manufacturing, International Trading, Information Technology and Global Supply Chain Management. Mr. Mittal received his M.B.A from the United States. He is also very active with various social reform and community service organizations. His personal mission is for Arshiya Group to play a major supporting role in India's economic transformation and growth.



Archana Mittal
Joint Managing Director

Mrs. Archana A Mittal, Joint Managing Director represents Arshiya as one of the Board of Directors while also leading the charter of Projects & Procurement for Arshiya's intensive CAPEX deployment into developing Unified Supply Chain & Infrastructure. Mrs. Mittal brings with her extensive experience and leadership towards implementation, budgeting & adherence for Arshiya's consolidated infrastructure projects including the development and operations of Free Trade & Warehousing Zones (FTWZ), Rail & Rail Infrastructure, Industrial & Distribution Hubs, Forwarding, Supply Chain Technology & Management and Transport & Handling across India. Mrs. Mittal is also a key member of Arshiya's executive management team involved with strategic decision-making towards Arshiya's growth & development. Under Mrs. Mittal's guidance, Arshiya Limited presently operates India's first of its kind state-of-the-art two FTWZs, one in the West (Mumbai - Panvel) spanning 165 acres and another in North (Khurja - In the state of UP near New Delhi) spanning 135 acres, near the confluence of the planned eastern and western freight corridors. Arshiya's Khurja zone is part of the 315 acres mega logistics hub which also includes India's largest private Rail terminal spanning 50 acres and 130 acres Industrial & Distribution Hub. Mrs. Mittal is a graduate in Bachelor of Arts (Honours) from Punjab University and is also very active with various social reform organizations across India especially in the field of girl child education and women empowerment.



Ashish Bairagra
Independent Director and
Chairman of the Audit
Committee

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

Mr. Bairagra has extensive experience in handling internal audits, statutory audits, tax advisory and business advisory assignments. His areas of specialization include International Taxation, Transfer Pricing, Valuation, Due Diligence, Inbound / Outbound Investments. He is a Partner of M L Bhuwania And Co LLP, Chartered Accountants, which is an independent member of Geneva Group International (GGI). He is also the Global Vice Chair of the International Taxation Practice Group (ITPG) of GGI.

BOARD OF DIRECTORS



Rishabh P Shah
Independent Director

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

Mr. RishabhShah is a practicing legal counsel and a legal consultant who advises on several areas of civil law, in particular, commercial documentation, property documentation, various areas of banking, commercial contracts, company restructuring and securities law. Banking and Corporate law and litigation being his areas of specialisation. He has over 18 years of experience representing major corporations as legal counsel.



Mukesh Kacker
Independent Director

Education: Masters in Economics(Public Policy) from Harvard University, USA, M.A.(Political Science) and BSc.(Physics, Mathematics & Statistics) from Allahabad University. He belongs to the 1979 batch of I.A.S.

Mr. Kacker has almost 3 decades of experience of working in the Government as an I.A.S. officer before he opted for voluntary retirement in 2007 to work in the areas of infrastructure and finance, and has held important senior positions, both in policy formulation roles as well as in executing capacities. As Member, National Highways Authority of India (NHAI), he was in the vanguard of personnel leading India's highways revolution and was instrumental in planning and executing a major portion of the Golden Quadrilateral. As Joint Secretary (Petrochemicals), he drafted the National Policy on Petrochemicals and conceptualized the policy on Investment Regions anchored by big petrochemical units. In his state cadre of Madhya Pradesh, he has held various positions including Secretary to the Government, Managing Director of two state Public Sector Undertakings and Secretary to the Chief Minister. After his voluntary retirement from the I.A.S, in view of his experience in the infrastructure sector, the Government of India inducted him as Member, Task Force on Infrastructure Development and Mega Projects. Mr. Kacker also served as Director General of CUTS Institute for Regulation and Competition (CIRC), Advisor to Vestergaard-Frandsen India Ltd and Non-Executive Chairman of IsoluxCorsan, India. He is also the founder-promoter of Kacker & Daughter Infrastructure Consultancy Services Ltd.

Currently, apart from Arshiya Ltd, he also serves as Independent Director on the Board of Capri Global Capital Ltd, a listed NBFC. He is the Chairman of its subsidiary Capri Global Resources Pvt. Ltd. He also serves as Independent Director on the Boards of three project SPVs promoted by the Delhi Mumbai Industrial Development Corporation Ltd (DMIDC) - Global City Project, Mass Rapid Transport System and Integrated Multi Modal Logistics Hub.

NOTICE

NOTICE IS HEREBY GIVEN THAT the 36th Annual General Meeting (AGM) of the shareholders of Arshiya Limited to be held on Tuesday the 26th September, 2017 at 03.00 p.m. at Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai- 400 018 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017 and reports of the Board of Directors' and of the Auditors thereon.
2. To appoint a Director in place of Mrs. Archana A Mittal (DIN 00703208), who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment thereto or re-enactment(s) thereof for the time being in force) M/s. Chaturvedi & Shah, Chartered Accountants having Firm Registration No. 101720W be and is hereby appointed as Statutory Auditors of the Company (in place of the retiring Auditors M/s. M. A. Parikh & Co., Chartered Accountants, whose tenure as Auditor comes to an end at the close of the 36th Annual General Meeting of the Company in terms of Section 139(2) of the Companies Act, 2013) to hold office for a period of Three years from the conclusion of this Annual General Meeting till the conclusion of 39th Annual General Meeting to be held in the year 2020, subject to ratification of their appointment by the shareholders at every intervening Annual General Meeting to be held after this Annual General Meeting on such remuneration as may be fixed by the Board of Directors."

SPECIAL BUSINESS:

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

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Prashant Karlekar & Associates, Cost Accountants, (Firm Registration Number 16075), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, be paid a remuneration, for the Financial Year ended 31st March, 2017, amounting to ₹ 60,000/- (Rupees Sixty Thousand only) plus taxes as applicable.

5. **Ratification of disclosure in respect of Special Resolution passed in the Extra-Ordinary General Meeting of the members of the company held on 29th April, 2017**

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

"RESOLVED THAT in continuation to the Special Resolution passed for Item No. 3 by the members of the company in the Extra-Ordinary General Meeting ('EGM') held on 29th April, 2017 for the Issue of Equity Shares, Optionally Convertible Redeemable Preference Shares, Warrants on Preferential Basis read with the Explanatory Statement to the Resolution, the consent of the members of the company be and is hereby accorded to the board by ratifying that the disclosure of ultimate beneficiary owner as mentioned in the explanatory statement Item No. 3 Point 8 of the said resolution in respect of Edelweiss Asset Reconstruction Company Limited ('Lender on behalf of various EARC trusts') is in compliance with Regulation 73(1)(e) of SEBI (ICDR) Regulations, 2009 and amendments thereof and also in compliance with SEBI Circular No. CIR/MIRDS/2/2013 dated January 24, 2013.

By Order of the Board of Directors of
Arshiya Limited

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

Date: 26th August, 2017
Place: Mumbai

Savita Dalal
Company Secretary

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Explanatory Statement under Section 102 of the Companies Act, 2013, in respect of the Special Business at Item No. 4 & 5 of the accompanying Notice is annexed hereto.
4. A profile of the Director seeking re-appointment as required under item no. 2 of the accompanying Notice, as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is given as **Annexure - I**.
5. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
6. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at Company's Registered Office on all working days (except 2nd & 4th Saturdays, Sundays and Public Holidays) between 11:00 a. m. to 1:00 p.m. upto the date of the Annual General Meeting.
7. The Register of Members and Share Transfer Books will remain closed from 18th September, 2017 to 25th September, 2017 (both days inclusive).
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
9. Pursuant to the provisions of Section 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has transferred on due dates, the unpaid and unclaimed dividend amount for the financial year ended 31st March, 2009 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29th July, 2016 (date of last Annual General Meeting) on the website of the Company (www.arshiyalimited.com) as also on the Ministry of Corporate Affairs Website.

The details of dividend declared are given below:

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

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

11. Electronic copy of the Annual Report for the year 2016-17 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) and have given their consent to receive the same through electronic means. Members other than above, physical copies of the Annual Report are being sent by the permitted mode.
12. Electronic copy of the Notice of the 36th Annual General Meeting of the Company, inter-alia, indicating the process and manner for e-voting, along with the Attendance Slip and Proxy Form is being sent by electronic mode to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same. Members other than above, physical copies of the Notice of the 36th Annual General Meeting of the Company, inter-alia, indicating the process and manner for e-voting, along with the Attendance Slip and Proxy Form is being sent by the permitted mode.
13. Members may also note that the Notice of the 36th Annual General Meeting and the Annual Report for the year 2016-17 will be available on the website of the Company www.arshyalimited.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered office on all working days (except 2nd & 4th Saturdays, Sundays and Public Holidays) between 11:00 a.m. to 1:00 p.m.
14. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: grv.redressal@arshyalimited.com
15. Members/Proxies should bring duly filled in Attendance Slip in the form annexed hereto and tender the same at the entrance of the meeting hall.
16. Members are requested to bring their copy of the Annual Report at the meeting.
17. Representative of corporate members should send/carry a duly certified copy of the Board Resolution/Power of Attorney authorizing the attendance and voting at the meeting.
18. Members are requested to send their queries, if any, at least seven days in advance to the extent possible, so that the information could be made available at the meeting.
19. Members are requested to notify change, if any, in its/his/her address to the Registrar & Share Transfer Agents of the Company quoting their folio number or to their respective Depository Participant, as the case may be, regarding shares held in physical or electronic form.
20. Members are requested to send all the correspondence concerning registration of transfers, transmissions, subdivision, consolidation of share certificates or any other share related matters to M/s. Bigshare Services Private Ltd., Registrar & Share Transfer Agents, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai 400059.
21. Members desirous of making a nomination in respect of their shareholding in physical form under Section 72 of the Companies Act, 2013, are requested to send the same to the Company's Registrar & Share Transfer Agents in the prescribed form.
22. Non-resident Indian Members are requested to inform M/s. Bigshare Services Private Ltd., Company's Registrar & Share Transfer Agents immediately of the following:
 - a. The change in the residential status upon return to India for permanent settlement;
 - b. The particulars of the bank account maintained in India with complete name, branch, account type, account number and address of the bank with postal index number.
23. The Company also request you to update your email address with your Depository Participant to enable us to send you the communications via e-mail.
24. The businesses as set out in the Notice may be transacted through electronic voting system under Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014. The Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at the Meeting. Please note that the voting through electronic means is optional.
 - (I) The voting through electronic means will commence on Saturday, the 23rd September, 2017 at 10:00 a.m. and will end on Monday, the 25th September, 2017 at 5:00 p.m. The Members will not be able to cast their vote electronically beyond the date and time mentioned above. During this period shareholders of the Company, holding shares either

in physical form or in dematerialized form, as on cut-off date i.e. Wednesday, the 20th September, 2017 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- (II) The Company has appointed Mr. Mohammad Aabid, Partner of M/s. Aabid & Co., Practising Company Secretary to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
- (III) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witness not in the employment of the company and make, not later than three days of the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the chairman or a person authorised by him in writing who shall countersign the same.
- (IV) The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
- (V) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- (VI) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.arshiyalimited.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the Thirty-Sixth Annual General Meeting of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- (VII) The procedure and instructions for the voting through electronic means is, as follows:
 - (a) In case of Shareholders' receiving e-mail from NSDL.
 - (i) Open e-mail and open PDF file viz; "Arshiya info e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login.
 - (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Arshiya Limited viz.:107522
 - (viii) Now you are ready for e-Voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(s) who are authorized to vote, to the Scrutinizer through e-mail infoevoting@arshiyalimited.com with a copy marked to evoting@nsdl.co.in.
 - (xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.

- (xiv) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- (xv) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (b) In case a Member receives physical copy of the Notice of AGM (for Members whose e-mail addresses are not registered with the Company/Depositories):
 - i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

ANNEXURE TO THE NOTICE OF THE 36TH ANNUAL GENERAL MEETING

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

For Item No. 4

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. Prashant Karlekar & Associates, Cost Accountants (Firm Registration No. 16075), to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2017 at a remuneration of ₹60,000/- (Rupees Sixty Thousand only) per annum plus applicable taxes and reimbursement of out of pocket expenses, subject to ratification by shareholders.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify/ approve the remuneration payable to the Cost Auditors during the year 2016-17, as set out in the Resolution for the aforesaid services to be rendered by them.

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

The Resolution is recommended for your approval.

For Item No. 5

The Members of the company has in the Extra-Ordinary General Meeting ('EGM') held on 29th April, 2017 approved the Special Resolution for the Issue of Equity Shares, Optionally Convertible Redeemable Preference Shares, Warrants on Preferential Basis.

Although the disclosure of ultimate beneficiary owner in respect of Edelweiss Asset Reconstruction Company Limited ('Lender on behalf of various EARC trusts') mentioned in the explanatory statement Item No. 3 Point 8 of the said resolution was in compliance with Regulation 73(1)(e) of SEBI (ICDR) Regulations, 2009 and amendments thereof and also in compliance with SEBI Circular No. CIR/MIRDS/2/2013 dated January 24, 2013, however **National Stock Exchange of India Limited** required the company to inform the shareholders by providing ultimate beneficiary owner of Edelweiss Asset Reconstruction Company Limited with reference to SEBI Circular dated January 24, 2013 and SEBI (ICDR) Regulations, 2009 and amendments thereof and get the same ratified by the members of the company.

Therefore, the members of the company are hereby informed that the details of disclosure which were mentioned in the explanatory statement Item No. 3 Point 8 of the said resolution of the EGM held on April 29, 2017 is in compliance with Regulation 73(1)(e) SEBI (ICDR) Regulations, 2009 and amendments thereof and also in compliance with SEBI Circular No. CIR/MIRDS/2/2013 dated January 24, 2013 and the same is hereby again given as under:

Name of the Proposed Allottee	Identity of Natural Persons Who are the Ultimate Beneficial Owners
	Edelweiss Asset Reconstruction Company Limited an Asset Reconstruction Company registered under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and is an Financial Institution within the meaning of sub clauses (ia) of clause (h) of section 2 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. It is managed and controlled by its Managing Director Mr. Siby Antony.

By Order of the Board of Directors
Arshiya Limited

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

Savita Dalal
Company Secretary

Date: 26th August, 2017
Place: Mumbai

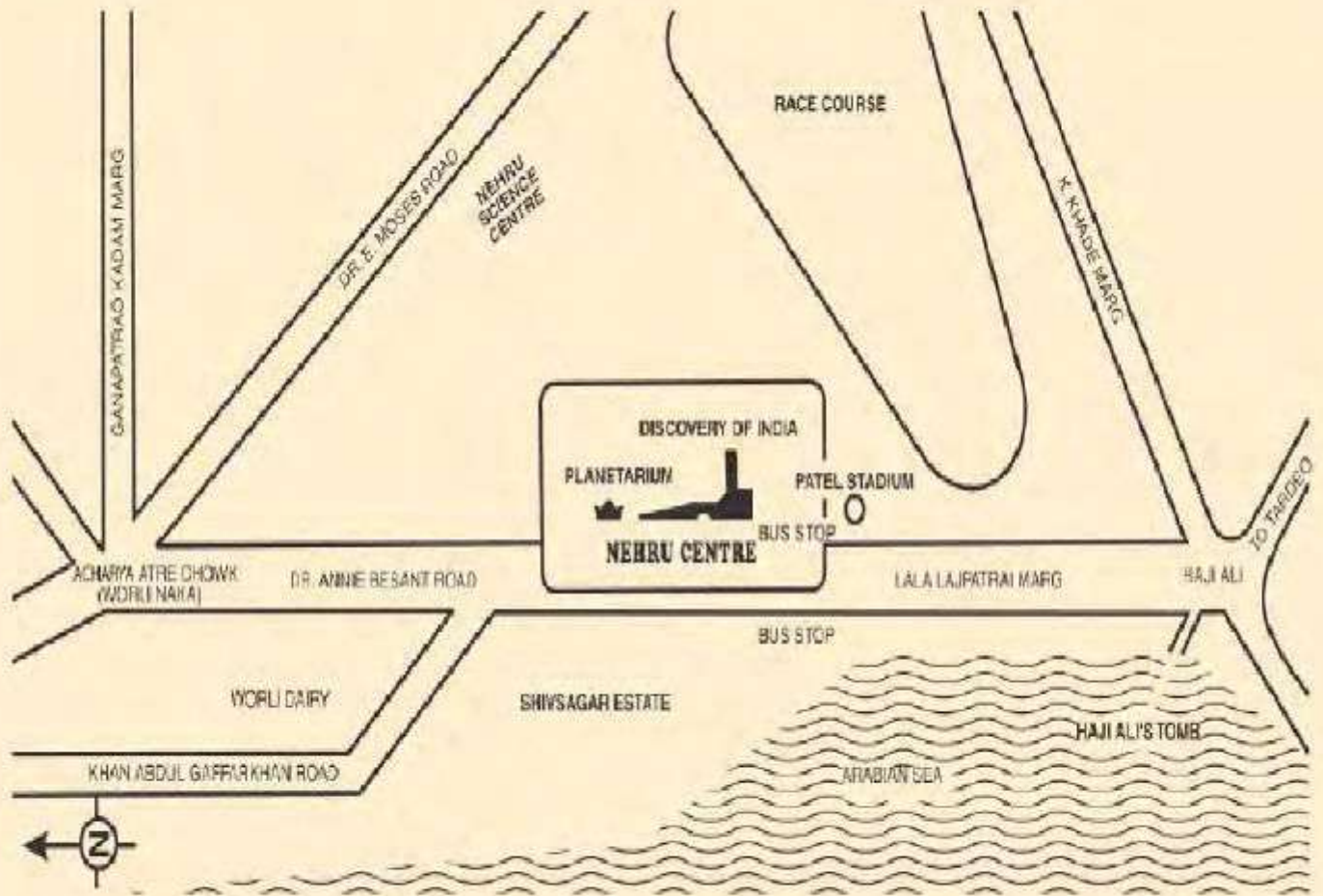
ANNEXURE- I

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

Name of the Director	Mrs. Archana A Mittal
Director Identification Number	00703208
Date of Birth	14 th April, 1967
Date of Appointment on the Board	25 th October, 2005
Qualification	Bachelor of Arts
Expertise	Mrs. Mittal brings extensive experience and leadership towards implementation, budgeting & adherence for Arshiya's consolidated infrastructure projects including the creation of Free Trade & Warehousing Zones, Inland container depo& Rail Infrastructure Terminals across India. In addition to the above, Mrs. Mittal is a key member of Arshiya's executive management team involved with strategic decision making towards Arshiya's growth & development. Mrs. Archana Mittal is also very active with various social reform organizations across India.
Directorship held in other companies	<ul style="list-style-type: none"> • Arshiya Northern FTWZ Limited • Mega Meditex Limited* • Arshiya Industrial & Distribution Hub Ltd.
Committee position held in other companies	None
Shareholding of Director	9,85,59,288

*Said Company is under liquidation.

Site Map to the venue



Location Map of Nehru Centre

DIRECTORS' REPORT

Dear Members,

Your Directors present their Thirty-Sixth Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2017.

1. RESULTS OF OUR OPERATIONS

i.) Summarised Standalone Financial Results- Arshiya Limited

i.) Summarized Standalone Financial Results- Arshiya Limited

Particulars	Year Ended 31.03.2017 (Amount In ₹)	Year Ended 31.03.2016 (Amount In ₹)
Income	76,02,09,760	64,77,07,541
Expenditure	1,51,87,42,441	2,13,85,03,840
Profit/(Loss) Before Depreciation and Tax	(75,85,32,681)	(1,49,07,96,299)
Depreciation	18,58,26,891	23,58,70,091
Profit/(Loss) Before Tax and Exceptional Items	(94,43,59,572)	(1,72,66,66,390)
Exceptional Items (Net)	10,73,94,560	1,02,81,23,576
Prior period Items(Net)	17,56,762	2,91,59,755
Profit/(Loss) After Tax	(1,05,35,10,894)	(2,78,39,49,721)

ii.) Summarized Consolidated Financial Results - Arshiya Limited and Its Subsidiaries

Particulars	Year Ended 31.03.2017 (Amount In ₹)	Year Ended 31.03.2016 (Amount In ₹)
Income	2,69,38,58,936	3,10,40,41,448
Expenditure	5,18,17,63,966	5,97,34,79,783
Profit/(Loss) Before depreciation and Tax	(2,48,79,05,030)	(2,86,94,38,335)
Depreciation	86,43,06,560	91,60,20,304
Profit/(Loss) Before Tax and Exceptional Items	(3,35,22,11,590)	(3,78,54,58,638)
Exceptional Items	56,96,89,136	2,23,03,67,978
Prior Period Adjustments	45,32,780	(1,02,88,660)
Profit/ (Loss) for the year before tax	(3,92,64,33,506)	(6,00,55,37,956)
Tax Expense	2,62,758	3,19,87,695
Net Profit/ (Loss) for the year	(3,92,66,96,264)	(6,03,75,25,651)

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards viz. AS-21, AS-25 and AS-27 issued by the Institute of Chartered Accountants of India and as notified under Section 133 of Companies Act, 2013 which forms part of this Annual Report.

Your Company has recorded a loss of ₹ 1,05,35,10,894/- (Rupees One Hundred Five Crore Thirty Five Lacs Ten Thousand Eight Hundred and Ninety Four Only) on a standalone and of ₹ 3,92,66,96,264/- (Three Hundred Ninety Two Crore Sixty Six Lacs Ninety Six Thousand Two Hundred and Sixty Four only) on consolidated level during the financial year. Though the Company continues to incur losses on year on year, but the management is committed towards the revival of the Company through various measures viz restructuring of debts and monetization of its assets.

The Company had exited CDR during financial year 2015-16, post which the Banks have assigned their loans to Edelweiss Asset Reconstruction Company Limited (EARC). During the year under review the Company has entered into Restructuring Agreement (RA) with EARC resulting in reduction in debts of the Company from ₹1,550 Crore to ₹720 Crore. Pursuant to the restructuring agreement the Company undertook to allot equity shares and Zero Percent Optionally Convertible Redeemable Preference Shares to EARC, shareholders' approval for such issuance have been obtained at the Extra Ordinary General Meeting held on 29th April, 2017, though the allotment of the same is under process

Similarly, three of the subsidiaries namely Arshiya Rail Infrastructure Limited, Arshiya Industrial & Distribution Hub Limited and Arshiya Northern FTWZ Limited whose debts have been assigned to EARC, post exit from CDR, have also signed the restructuring agreement with EARC.

i.) Reserves

During the year under review loss of ₹1,05,35,10,894/- (Rupees One Hundred Five Crore Thirty Five Lacs Ten Thousand Eight Hundred and Ninety Four Only) has been transferred to the Reserves and surplus account.

ii.) Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA), vide its notification in the official gazette dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of Companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the companies Act, 2013, read with Rule of the Companies (Accounts) Rules, 2014 & that in case of your Company, Ind AS is applicable from April 1, 2017.

iii.) Dividend

In view of losses, the Directors regret their inability to recommend dividend for the financial year ended 31st March, 2017.

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

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

v.) Deposits

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

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

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

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

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

2. BUSINESS AND FUTURE OUTLOOK:**i.) Business Initiatives**

Indian Logistics market is expected to grow at a CAGR of 12% by 2020 driven by the growth in the manufacturing, retail, FMCG and e-commerce sectors. Today India spends around 14% of its GDP on Logistics and Transportation as compared to less than 8% spent by the other developing countries. With implementation of Goods and Services Tax (GST) which is one of the largest tax reforms ever done in India, it is expected to bring more efficiency in warehousing and distribution and bring down the Logistics cost.

Out of the total Exim cargo in India, over 1.2 million TEUs of containerized cargo is moving from the Northern part of India through gateway ports of JNPT, Mundra & Pipavav which is consistently increasing and therefore this part of India has been demanding more Inland Container Depot facilities to be provided to the exporters and the importers for catering to such volumes.

This growth will require substantial logistical support in terms of world class infrastructure and Container Train operations for movement of goods across the country. Arshiya's 'Northern India Logistics Park' (NILP) as an integrated supply chain & logistics infrastructure solutions provider is fully geared to cater to the anticipated boom in the Indian Logistics scenario. Arshiya has revolutionized freight transport in the country with its modern & state of the art facility & unique solution.

RAIL & RAIL INFRASTRUCTURE

In April 2008, Arshiya acquired Category I license to operate rail services and started its Operations at Pan India level in February 2009. Today, Arshiya is amongst India's largest private Container Train Operator (CTO) operating domestic rail freight services across the Country. NILP Rail Terminal at Khurja is strategically located at the confluence of Eastern & Western Dedicated Freight Corridors (DFC) and is well connected to cater the Free Trade Warehousing Zone (FTWZ), Inland Container Depot (ICD) & Domestic Tariff Area (DTA) Warehouse to trade to/from the Northern & Western gateway ports.

Arshiya is presently working with well-known corporate clients by offering unique and specialized services with capability of large scale evacuation of cargo from Plants, Domestic Hubs & Client Sidings. Arshiya offers a viable alternative, clearing up congested roads, providing unmatched efficiencies and promises to save time & cost significantly thereby boosting profitability.

The Company owns and operates 18 container trains across pan India and owns over 3000 containers and is committed to providing world class end-to-end multimodal Logistics Services across the country at various locations. Arshiya integrates first and last mile connectivity with various terminal based value added services to our Clients.

PRIVATE FREIGHT TERMINAL (PFT)

Northern India Logistic Park (NILP) Rail Siding at Khurja was notified as a Private Freight Terminal for handling all types of inward and outward traffic in full rakes, also being the First to be notified in NCR. Arshiya is successfully operating its PFT model attracting different cargo and train operators.

Apart from the existing container trains coming at NILP, with commodities such as Ingots & Billets, we are handling Aggregates, Clinkers and Food Grains for feeding their plants and end users located in and around NCR and Eastern/Western UP.

FREE TRADE WAREHOUSING ZONE (FTWZ)

FTWZ being a unique concept in India the Trade has started recognizing its benefits. A lot of potential clients struggle hard to recover taxes & duties paid during imports. They face the burden of spending heavy working capital towards recovery expenses apart from the time consumed apart from foregoing the duties paid because of lack of provisions. With new GST regime, various industry segments have started using FTWZ given its unique Value Proposition in offering.

Currently FTWZ at Panvel offers over 830,000 Sq. Ft. of warehousing space with best in class infrastructure which is suitable for Clients across industries. The facility is well connected to the National and State Highways and situated only 24 Kms from the country's busiest container port and also close to the proposed International Airport in Navi Mumbai.

FTWZ at NILP at Khurja, Uttar Pradesh caters to the need of Northern India. The state-of-the-art infrastructure is very well connected by ICD, Rail & Road networks facilitating end-to-end distribution to the Trade with Delhi NCR.

INLAND CONTAINER DEPOT (ICD)

The Inland Container Depot at NILP at Khurja boasts of being the only such facility in India designed to provide a plethora of inter-connected solution-based services to the Trade. The ICD is spread across 35 acres and has bonded warehouse with the capacity of 120,000 Sq. Ft. to handle import, export, bonded, non-bonded warehouse operations and value added services.

This ICD was launched in April 2016 and till now over 12 Exim services have been operated in 1st phase of operations. We started rail service to Mundra port keeping in mind the market requirements, and in order to cater market demands soon going to offer regular rail services to both major ports i.e. Mundra & Pipavav

Being in close proximity to the Export market of commodities like Reefer, Hardware, Agro & Yarn, also Import commodities like Automobile, Consumer Goods, Scrap & Papers, we have received huge positive response from the

market and have begun to receive regular bookings. We have initiated strong marketing efforts with all Shipping Lines to open acceptance points, which is the key to our business success.

DOMESTIC WAREHOUSING FACILITY

A DTA facility at NILP Khurja offers an integrated multi-modal logistics solutions, for built-to-suit type Clients to cater domestic, containerized, bulk, break-bulk, cabotage, coastal, auto freight inbound & outbound cargo movements. First & Last mile door-to-door (D-D) services are also being offered by us to our partners on long term arrangements.

ARSHIYA SUPPLY CHAIN MANAGEMENT

Arshiya Supply Chain Management offers Indian and foreign clients to carry out their Value Added Service (VAS) as per requirements. With our focus on gaining Foreign Clients, we expect good volumes materializing in near future.

Some of the key initiatives have been:

- *An integrated and unique product under same roof at NILP to the Trade created as "FTWZ+ICD+DTA+PFT" with a pull model to generate more business*
- *A COMBO train operations of handling "Exim & Domestic" cargo movements on the same train to facilitate the Market requirements*
- *Aggressive market mapping by creation a strong, focused, solutions provider Sales team approach*
- *Special focus on large volume based & huge import duty payout foreign clients*
- *Implementing Marketing strategies timely by participating in Trade events etc.*

ii.) Subsidiaries and Associates

The Company has 8 subsidiary companies, including 2 Material Subsidiaries and 1 step down subsidiaries as on 31st March, 2017. During the year following changes have taken place in subsidiary companies.

Subsidiary Acquired:

During the year under review, your Company has acquired Arshiya Lifestyle Limited.

Material Subsidiaries:

- Arshiya Supply Chain Management Private Limited
- Arshiya Rail Infrastructure Limited

Step down Subsidiary:

- Arshiya Rail Siding and Infrastructure Limited

Company ceased to be Subsidiaries:

During the year under review your Company has disposed off following non-operational subsidiaries:

- Arshiya Central FTWZ Limited
- Arshiya International Singapore Pte. Limited
- Arshiya Hong Kong Limited
- Cyberlog Technologies International Pte. Limited
- Cyberlog Technologies (UAE) FZE

iii.) Consolidated Financial Statements

In accordance with section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further a statement containing salient features of the financial statement of our subsidiaries in the prescribed FormNo. AOC-1 is appended as an **Annexure - II** to the Board's Report. The Statement also provides the details of performance, financial positions of each of the subsidiary.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are

available on our website www.arshiyalimited.com. These documents will also be available for inspection during business hours at the Registered Office in Mumbai, India.

3. CORPORATE GOVERNANCE

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

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

i.) Board Diversity

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

ii.) Number of meetings of the board

During the year Six Meetings were held. The details of the meetings of the Board held during the financial year 2016-17 forms part of the Corporate Governance Report. The intervening gap between any two meetings did not exceed 120 days as prescribed by Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

iii.) Policy on Director's Appointment and Remuneration

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

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

iv.) Declaration by Independent Directors

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

v.) Board evaluation

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

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

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

vi.) Familiarisation Program for Independent Directors

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

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

vii.) Code of Conduct for prevention of Insider Trading

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

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

viii.) Policies

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

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

Name of the Policy	Brief Description	Web Link
Nomination and Remuneration Policy	The purpose of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.	http://www.arshiyalimited.com/assets/pdf/nomination-and-remuneration-policy20160407103702.pdf
Related Party Transaction Policy	The purpose of this policy is to regulate all transactions between the Company and its related parties.	http://www.arshiyalimited.com/assets/pdf/related-party-transaction-policy20160407103809.pdf
Code of conduct for prevention of insider trading & Code of corporate disclosure practices	The purpose of this Policy is to provide the framework for dealing in securities of the Company.	http://www.arshiyalimited.com/assets/pdf/insider-trading-code20160407090651.pdf
Policy on Material Subsidiary	The purpose of this policy is to determine the material subsidiaries and to provide the governance framework for them.	http://www.arshiyalimited.com/assets/pdf/policy-on-material-subsiadiaries20160407103840.pdf
Risk management	The purpose of this policy is to lay down the	http://www.arshiyalimited.co

Policy	framework of the Risk Management.	m/assets/pdf/risk-management-policy20160407103904.pdf
Whistle Blower Policy (Policy on Vigil Mechanism)	The purpose of this policy is to provide mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	http://www.arshiyalimited.com/assets/pdf/vigil-mechanism-whistle-blower-policy20160407104143.pdf
Policy on Board Diversity	The purpose of this policy is to have optimum combination of Directors from different areas and fields.	http://www.arshiyalimited.com/assets/pdf/policy-on-board-diversity20160407104216.pdf
Archival Policy	The purpose of this Policy is to archive any of the material events or information which are disclosed by the Company to the Stock Exchanges.	http://www.arshiyalimited.com/assets/pdf/archival-policy120160613145605.pdf
Policy for determination of Materiality of any event / information	The purpose of this Policy is to determine materiality of events and information and to ensure that the Company shall make disclosure of events / information.	http://www.arshiyalimited.com/assets/pdf/policy-for-determination-of-materiality-of-any-event--information 120160613145521.pdf
Policy for preservation of documents	The purpose of this Policy is to ensure that all the necessary documents and records of the Company are adequately protected and preserved as per the statutory requirements.	http://www.arshiyalimited.com/assets/pdf/policy-for-preservation-of-documents 120160613145057.pdf
Policy on Corporate Social Responsibility	The purpose of this policy is to identify the activities wherein the Company can contribute for fulfilling its Corporate Social Responsibility.	http://www.arshiyalimited.com/arshiya/assets/pdf/csr-policy 120160620105217.pdf

ix.) Directors and Key Managerial Personnel

• Appointment and Resignation

Board of Directors of the Company has an optimum combination of Promoter Directors and Non-Executive Independent Directors, who have in depth knowledge of the business and industry. There has been no change in the Board of Directors of the Company during the Financial Year 2016-2017. Prof. G. Raghuram has resigned as an Independent Director w.e.f. 18th May, 2017, the Board appreciates the valuable services rendered by Prof. G. Raghuram during his tenure at the Company.

Mr. S. Maheshwari was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 08th February, 2017.

• Re-appointments

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mrs. Archana A Mittal – Joint Managing Director retires by rotation at the ensuing Annual General Meeting and being eligible she has offered herself for re-appointment. Your Board recommends her reappointment.

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

x.) Committees of the Board

Currently the Board have Five Committees namely Audit Committee, Nomination and Remuneration Committee, Share Transfer, Investor Grievances & Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Committee of Directors. The Board of Directors at their meeting held on 8th February, 2017 have dissolved the Risk Management Committee as the provisions for the said Committee are not applicable to the Company and to avoid the additional compliance and paper work the board dissolved the Risk Management Committee. A detailed note on Board and its committees is provided in the corporate governance report section of this Annual Report.

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

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

xii.) Extract of Annual Return

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

xiii.) Internal control systems**• Internal Control systems and their adequacy**

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

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

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

• Internal Controls over financial reporting

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

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

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

xiv.) Directors' responsibility statement

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

- a.) In the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed and no material departures have been made from the same.

- b.) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- c.) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d.) They have prepared the annual accounts on a going concern basis.
- e.) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f.) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

4. AUDIT AND AUDITORS' REPORT

i.) Statutory Auditors

M/s. M.A. Parikh & Co., Chartered Accountants (Firm Registration No. 107556W), Mumbai, Statutory Auditors of the Company, were appointed as Statutory Auditor of the Company for a period of three year at the 33rd Annual General Meeting (AGM) and will retire at the ensuing Annual General Meeting. Further, M/s. M. A. Parikh & Co., have expressed their unwillingness for reappointment as Auditors of the Company upon their retirement in the ensuing 36th Annual General Meeting.

Accordingly, M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W) are proposed to be appointed as auditors for a period of 3 years commencing from the conclusion of 36th Annual General Meeting till the conclusion of the 39th Annual General Meeting, subject to ratification by shareholders every year, as may be applicable, in place of M/s. M. A. Parikh & Co., Chartered Accountants. M/s. Chaturvedi & Shah, Chartered Accountants, have consented to the said appointment, and confirmed that their appointment, if made, would be within the limits specified under Section 141(3) (g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. The Audit Committee and the Board of Directors recommend the appointment of M/s. Chaturvedi & Shah, Chartered Accountants, as statutory auditors of the Company from the conclusion of the 36th AGM till the conclusion of 39th AGM, to the shareholders.

Auditors' Report

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

- a.) In respect of non-provision of additional interest from CDR Cut-off date till 31st March 2017 estimated at ₹ 544,23,141/- refer Point No. 1 of the Auditors Report.

Post CDR exit, lenders are entitled to exercise rights and remedies available under the original loan documents, however in the absence of any communication from these lenders, the Company has not provided for additional interest from CDR cut-off date till 31st March 2017.

- b.) In respect of non-provision for interest of ₹ 20,29,08,631/- on the loan assigned to EARC from the date of assignment and amount written back of ₹ 55,87,68,625/- on the basis of consent terms-refer Point No.2 of the Auditors Report.

On the basis of Consent Terms filed by the Company and EARC with the Hon'ble Bombay High Court, the Company has not provided for interest on loan assigned to EARC from the date of assignment and amount has been written back on the assumption that the Company will adhere to the revised payment schedule.

- c.) In respect of amount written back of ₹ 17,19,59,475/- and non-provision for interest of ₹ 6,18,60,443/- on the loan from the date of Consent Term- refer Point No. 3 of the Auditors Report.

On the basis of Consent Terms filed by the Company and the NBFC with the Hon'ble Bombay High Court, the Company has not provided for interest and amount has been written back on the assumption that the Company will adhere to the revised payment schedule.

- d.) In respect of appointment of Chief Financial Officer (CFO) as a Key Managerial Person as per sub-section (1) of section 203 of the Companies Act, 2013, refer Point No. 4 of the Auditors Report.

Mr. S. Maheshwari was appointed as C.F.O w.e.f. 8th February, 2017.

- e.) In respect of depositing tax deducted at source of ₹6,18,38,711/- which is outstanding as of the year end for a period of more than six months from their dues of payment, refer point no. vii (a) of Annexure A to the Auditors Report.

The Company is in severe financial crunch and the management is trying to pay all the statutory dues on priority basis.

- f.) In respect of defaults in repayment of dues to Bank and Financial Institutions, refer point no. viii of Annexure A to the Auditors Report.

The Company has restructured its outstanding dues with majority of banks [Loans being assigned to Edelweiss Asset Reconstruction Company Ltd. (EARC)] and is in process of restructuring the remaining dues with banks and financial institutions.

Except aforesaid qualifications/observations the points in Auditors' Report are self-explanatory and does not call for further explanation.

ii.) Cost Auditor

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records. The Board of Directors, on the recommendation of Audit Committee, appointed M/s. Prashant Karlekar & Associates, Practicing Cost Accountants (Firm Registration No. 16075) as Cost Auditors to audit the cost accounts of the Company for the financial year 2016-17 at a remuneration of ₹ 60,000/- (Rupees Sixty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses. The Board has approved the remuneration payable to the Cost Auditors subject to approval of the shareholders at the ensuing Annual General Meeting.

Auditors' Report

There is no qualification in the Cost Audit Report.

iii.) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s. Aabid & Co. Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report for the Financial Year 2016-17 forms part of this Annual Report as an **Annexure-IV** to the Board's Report.

Secretarial Auditors' Report

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

- a.) Refer Point No. i. of Secretarial Auditors Report: The Company is in process of recovering the excess remuneration paid to Mr. Suhas Thakar and have already recovered ₹ 35,52,500/- (Rupees Thirty Five Lacs Fifty Two Thousand Five Hundred Only). As on 31st March, 2017 ₹ 42,10,097/- (Rupees Forty Two Lacs Ten Thousand and Ninety Seven Only) is pending to be recovered.
- b.) Refer Point No. ii. of Secretarial Auditors Report: The Company had already obtained post facto approval of Foreign Investment Promotion Board (FIPB) for the warrants so allotted. An application to RBI for compounding has been filed by the Company and a hearing on the same is awaited.

5. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

6. HUMANRE SOURCES

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

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

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

- i.) As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated and implemented a policy on Sexual Harassment at workplace with a mechanism of lodging complaints. Its redressal is placed on the intranet for the benefit of its employees. During the year under review, no complaints were reported to the Board.
- ii.) Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as an **Annexure - V**.

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

Key Managerial Personnel

Sl. No.	Name of the Person	Designation
1	Mr. Ajay S Mittal	Chairman and Managing Director
2	Mrs. Archana A Mittal	Joint Managing Director
3	Mr. S. Maheshwari	Group President and Chief Financial Officer (CFO) [appointed CFO w.e.f. 08 th February, 2017]
4	Ms. Savita Dalal	Company Secretary and Compliance Officer

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

8. RISK MANAGEMENT

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

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

9. HEALTH, SAFETY AND ENVIRONMENT

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

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

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

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

APPRECIATION

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

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

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

Place: Mumbai
Date: 26th August, 2017

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

ANNEXURES TO THE BOARD'S REPORT

ANNEXURE - I

FORM NO. AOC -2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2017, which were not at arm's length basis.

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

Sr. No.	Particulars	Details
1	Name (s) of the related party	Arshiya Supply Chain Management Private Limited
2	Nature of relationship	Wholly-owned Subsidiary
3	Nature of contracts/arrangements/transaction	Supply of Services
4	Duration of the contracts/ arrangements/ transaction	Ongoing
5	Salient terms of the contracts or arrangements or transaction including the value, if any	No
6	Date of approval by the Board	25 th May, 2016
7	Amount paid as advances, if any	Nil

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

Ajay S Mittal Chairman & Managing Director DIN: 00226355	Archana A Mittal Joint Managing Director DIN: 00703208
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Date: 26th August, 2017
Place: Mumbai

Annexure to the Board's report

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

Sr. No.	Name of the subsidiary	Financial Period ended	Exchange rate	Share capital	Reserves & surplus	Total assets (including share capital and reserves & surplus)	Investments	Turnover	Profit / (Loss) before taxation ^(1*)	Provision for taxation	Profit / (Loss) after taxation	% of Share holding ^(6*)
1	Arshiya Supply Chain Management Private Limited	31st March, 2017	INR	37,871,200	(1,269,915,160)	833,084,565	2,065,128,525	864,054,538	(84,677,614)	262,758	(84,940,372)	100% (3*)
2	Arshiya Industrial & Distribution Hub Limited	31st March, 2017	INR	172,371,520	1,945,709,333	7,229,602,802	5,111,521,949	5,637,639	(1,377,538,942)	-	(1,377,538,942)	100% (4*)
3	Arshiya Northern FTWZ Limited	31st March, 2017	INR	108,686,770	3,780,625,203	7,736,627,091	3,847,315,118	34,418,719	(706,637,401)	-	(706,637,401)	100%
4	Arshiya Rail Infrastructure Limited	31st March, 2017	INR	423,844,170	(373,103,555)	5,674,100,944	5,623,360,329	1,553,686,321	(896,061,795)	-	(896,061,795)	100% (5*)
5	Arshiya Rail Siding and Infrastructure Limited	31st March, 2017	INR	500,000	(368,236)	463,443	331,679	509,620	163,306	-	163,306	100%
6	Arshiya Transport And Handling Limited	31st March, 2017	INR	500,000	(107,419,925)	77,161	106,997,086	-	(1,739,281)	-	(1,739,281)	100%
7	Arshiya Technologies (India) Private Limited	31st March, 2017	INR	1,011,580	(1,134,585)	10,455	133,460	-	(1,276,647)	-	(1,276,647)	100% (6*)
8	Arshiya Lifestyle Limited*	31st March, 2017	INR	14,850,000	(13,297,966)	2,159,523	607,489	60,000	(86,070,682)	-	(86,070,682)	100%
9	Arshiya Central FTWZ Limited #	21st March, 2017	INR	-	-	-	-	-	(125,370)	-	(125,370)	Nil (7*)
10	Arshiya Hong Kong Limited (Hong Kong)	21st March, 2017	1 HKD = ₹ 8.40	-	-	-	-	-	(609,801,243)	-	(609,801,243)	Nil
11	Arshiya International Singapore Pte. Limited (Singapore)#	21st March, 2017	1 SGD = ₹ 46.65	-	-	-	-	-	(116,621)	-	(116,621)	Nil
12	Cyberlog Technologies International Pte. Limited (Singapore)#	21st March, 2017	1 USD = ₹ 65.24	-	-	-	-	-	(1,630,036)	-	(1,630,036)	Nil
13	Cyberlog Technologies (UAE) FZE	21st March, 2017	1 AED = ₹ 17.76	-	-	-	-	-	(1,022,546,295)	-	(1,022,546,295)	Nil (8*)

(1*) Converted at monthly average exchange rates.

(2*) % of Share Holding including beneficial interests/ voting power (either directly/indirectly or through

(3*) 12.64% (12.64%) held through Arshiya Northern FTWZ Limited.

(4*) Nil (9.38 %) held through Cyberlog Technologies (UAE) FZE.

(5*) Nil (5.27%) held through Arshiya Hongkong Limited.

(6*) Nil (90.11%) held through Cyberlog Technologies International Pte. Limited

(7*) 48.33% (48.33 %) held through Arshiya Hongkong Limited.

(8*) 100% (100%) held through Cyberlog Technologies International Pte. Limited

1 # 4 Subsidiaries have been disposed on 21st March, 2017 and above disclosures are upto 21st March, 2017

2 * Arshiya Lifestyle Limited become subsidiary on 8th February, 2017.

ANNEXURE - III

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31st March, 2017

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

I. REGISTRATION & OTHER DETAILS:

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No	Name	Address of the Company	CIN/ GNL	Holding / Subsidiary Associate	% of Shares held	Applicable Section
1	Arshiya Supply Chain Management Private Limited	302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U63013MH2006PTC165506	Subsidiary	100	2(87)(ii)
2	Arshiya Transport And Handling Limited	302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U63030MH2010PLC200604	Subsidiary	100	2(87)(ii)
3	Arshiya Northern FTWZ Limited	302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U51109MH2008PLC183555	Subsidiary	100	2(87)(ii)
4	Arshiya Lifestyle Limited	301, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U74110MH2010PLC201330	Subsidiary	100	2(87)(ii)
5	Arshiya Industrial & Distribution Hub Limited	302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U63000MH2008PLC182929	Subsidiary	100	2(87)(ii)
6	Arshiya Rail Infrastructure Limited	302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U93000MH2008PLC180907	Subsidiary	100	2(87)(ii)
7	Arshiya Rail	302, Level 3, Ceejay House, F- Block,	U93000MH2010PLC199940	Subsidiary	100	2(87)(ii)

	Siding and Infrastructure Limited	Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018				
8	Arshiya Technologies (India) Private Limited	302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli Mumbai-400018	U72300MH2007PTC175427	Subsidiary	100	2(87)(ii)

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

i) Category-wise Share Holding

	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2016				No. of Shares held at the end of the year :31/03/2017				% change during the year
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
A	PROMOTERS									
1	Indian									
(a)	INDIVIDUAL / HUF	11,71,20,225	0	11,71,20,225	74.99	11,71,20,225	0	11,71,20,225	74.99	0.00
(b)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)									
(i)	GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(iii)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(1) :	11,71,20,225	0	11,71,20,225	74.99	11,71,20,225	0	11,71,20,225	74.99	0
2	Foreign									
(a)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(b)	INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
(c)	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total holding for promoters (A)=(A)(1) + (A)(2)	11,71,20,225	0	11,71,20,225	74.99	11,71,20,225	0	11,71,20,225	74.99	0.00
B	PUBLIC									
1	Institutions									
(a)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	60	0	60	0.00	0.00
(c)	MUTUAL	0	25,000	25,000	0.02	0	25,000	25,000	0.02	0.00

	FUNDS / UTI									
(d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(f)	FII'S	20,22,639	0	20,22,639	1.30	0	0	0	0.0	(1.30)
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
(h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(i)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(j)	FOREIGN PORTFOLIO INVESTORS	45,000	0	45,000	0.03	17,78,638	0	17,78,638	1.14	1.11
	SUB TOTAL (B)(1) :	20,67,639	25,000	20,92,639	1.34	17,78,698	25,000	18,03,698	1.15	(0.19)
2	Non Institutions									
(a)	BODIES CORPORATE	1,21,51,118	0	1,21,51,118	7.78	1,19,53,211	0	1,19,53,211	7.65	(0.13)
(b)	INDIVIDUAL									
(i)	(CAPITAL UPTO TO 1 Lakh)	89,62,159	2,55,001	92,17,160	5.90	82,77,846	2,55,001	85,32,847	5.46	(0.44)
(ii)	(CAPITAL GREATER THAN 1 Lakh)	96,87,811	0	96,87,811	6.20	1,21,73,920	0	1,21,73,920	7.79	1.59
(c)	ANY OTHERS (Specify)									
(i)	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	CLEARING MEMBER	4,93,791	0	4,93,791	0.32	3,59,229	0	3,59,229	0.23	(0.09)
(iii)	NON RESIDENT INDIANS (NRI)	9,97,648	0	9,97,648	0.64	8,89,151	0	8,89,151	0.57	(0.07)
(iv)	NON RESIDENT INDIANS (REPEAT)	500	0	500	0.00	2,700	0	2,700	0.00	0.00
(v)	NON RESIDENT INDIANS (NON-REPEAT)	6,67,062	0	6,67,062	0.43	5,73,970	0	5,73,970	0.37	(0.06)
(vi)	DIRECTORS RELATIVES	13,955	0	13,955	0.01	13,955	0	13,955	0.01	0.00
(vii)	EMPLOYEE	4,661	0	4,661	0.00	2,671	0	2,671	0.00	0.00
(viii)	FOREIGN NATIONALS	50,000	2,50,000	3,00,000	0.19	50,000	2,50,000	3,00,000	0.19	0.00
(ix)	OVERSEAS BODIES CORPORATES	3,00,000	21,47,495	24,47,495	1.57	2447495	0	2447495	1.57	0.00
(x)	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (B)(2) :	3,33,28,705	26,52,496	3,59,81,201	23.04	3,67,44,148	5,05,001	3,72,49,149	23.85	0.81
	Total Public Shareholding (B)=(B)(1) +	3,63,81,751	26,77,496	3,90,59,247	25.01	3,85,29,246	5,30,001	3,90,59,247	25.01	0.00

	(B)(2)									
C SHARES HELD BY CUSTODIANS										
(i)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (C)	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A) + (B) + (C)	15,35,01,976	26,77,496	15,61,79,472	100	15,56,49,471	5,30,001	15,61,79,472	100	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2016			Shareholding at the end of the year 31/03/2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mrs. Archana A Mittal	9,85,59,288	63.11	100.00	9,85,59,288	63.11	100.00	0.00
2	Mr. Ajay S Mittal	1,85,60,937	11.88	100.00	1,85,60,937	11.88	100.00	0.00
	Total	11,71,20,225	74.99	100.00	11,71,20,225	74.99	100.00	0.00

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

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase (+)/ Decrease (-) during the year	Reason	No. of shares	% of total shares of the company
1	Mrs. Archana A Mittal	9,85,59,288	63.11	Nil	Nil	-	9,85,59,288	63.11
	At the end of the year						9,85,59,288	63.11
2	Mr. Ajay S Mittal	1,85,60,937	11.88	Nil	Nil	-	1,85,60,937	11.88
	At the end of the year						1,85,60,937	11.88

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01/04/2016		Changes during the year			Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	Date	Increase (+)/ Decrease (-) during the year	Reason	No. of shares	% of total shares of the company
1	Naishadh Jawahar Paleja	29,76,270	1.91	-	-	-	-	-
	At the end of the year						29,76,270	1.91
2	STCI Finance Limited	18,61,731	1.19	-	-	-	-	-
	At the end of the year						18,61,731	1.19
3	Citigroup Global Markets Mauritius limited	16,20,358	1.4		-	-	-	-
				30.06.16	-176178	Sell	14,44,180	0.92
				27.01.17	-1359071	Sell	85,109	0.05
				03.02.17	-85109	Sell	0	0
				31.03.17	0	-	0	0
				At the end of the year				
4	Antique Securities Private Limited	Nil	0.00	24.06.16	5,00,000	Purchase	5,00,000	0.32
				30.06.16	2,00,000	Purchase	7,00,000	0.45
				01.07.16	2,64,425	Purchase	9,64,425	0.62
				08.07.16	35,575	Purchase	10,00,000	0.64
				19.08.16	50,000	Purchase	10,50,000	0.67
				04.11.16	1,00,000	Purchase	11,50,000	0.74
				27.01.17	50,000	Purchase	12,00,000	0.77
				03.02.17	1,28,085	Purchase	13,28,085	0.85
				10.02.17	21,915	Purchase	13,50,000	0.86
17.02.17	50,000	Purchase	14,00,000	0.90				
At the end of the year						14,00,000	0.90	
5	Saviga Investment Holdings Inc.	0	0.0	30.12.16	13,97,495	Purchase	-	-
				At the end of the year				
6	Kotak Mahindra (International) Limited	Nil	0.00	27.01.17	13,22,988	Purchase	13,22,988	0.85
				At the end of the year				
7	Capri Global Advisory Services Private Limited	10,50,000	0.67	05.08.16	-2,00,000	Sell	8,50,000	0.54
				23.09.16	-2,00,000	Sell	6,50,000	0.42
				16.12.16	-2,50,000	Sell	4,00,000	0.26
				23.12.16	-2,00,000	Sell	2,00,000	0.13
				13.01.17	-2,00,000	Sell	00	0.00
				31.03.17	00	Sell	00	00
At the end of						00	00	

	the year							
8	Capri Global Holding private Limited	6,75,000	0.43	13.01.17	-1,53,250	Purchase	8,28,250	0.53
				27.01.17	29,934	Purchase	8,58,184	0.55
				03.02.17	20,650	Purchase	8,78,834	0.56
				10.02.17	500	Purchase	8,79,334	0.56
				10.03.17	9,000	Purchase	8,88,334	0.57
				17.03.17	70,124	Purchase	9,58,458	0.61
				24.03.17	88,542	Purchase	10,47,000	0.67
	At the end of the year			31.03.17			10,47,000	0.67
9	Parvesh Gandotra	9,60,000	0.61	17.02.17	-2,40,000	Sell	7,20,000	0.46
	At the end of the year						7,20,000	0.46
10	Chandra Singh Lodha	0	0	17.6.16	2,10,761	Purchase	2,10,761	0.13
				24.6.16	39,182	Purchase	249,943	0.16
				30.6.16	61,156	Purchase	311,099	0.20
				1.7.16	24,000	Purchase	335,099	0.21
				8.7.16	77,124	Purchase	412,223	0.26
				15.7.16	15,800	Purchase	428,023	0.27
				22.7.16	85,941	Purchase	513,964	0.33
				29.7.16	24,067	Purchase	538,031	0.34
				5.8.16	70,250	Purchase	608,281	0.39
				12.8.16	64,740	Purchase	673,021	0.43
				26.8.16	6,390	Purchase	679,411	0.44
				2.9.16	34,528	Purchase	713,939	0.46
				9.9.16	50,557	Purchase	764,496	0.49
				16.9.16	33,484	Purchase	797,980	0.51
				23.9.16	53,400	Purchase	851,380	0.55
				30.9.16	62,800	Purchase	914,180	0.59
				7.10.16	57,130	Purchase	971,310	0.62
				21.10.16	41,573	Purchase	1,012,883	0.65
				28.10.16	33,454	Purchase	1,046,337	0.67
				11.11.16	25,000	Purchase	1,071,337	0.69
				25.11.16	9,174	Purchase	1,080,511	0.69
				3.2.17	13,455	Purchase	1,093,966	0.70
				10.2.17	-18,874	Sell	1,075,092	0.69
				17.2.17	47,000	Purchase	1,122,092	0.72
				24.2.17	-27,800	Sell	1,094,292	0.70
				3.3.17	-10,6000	Sell	988,292	0.63
				10.3.17	47,250	Purchase	1,035,542	0.66
				17.3.17	-2,649	Sell	1,032,893	0.66
				24.3.17	-58,357	Sell	974,536	0.62
				31.3.17	-45,000	Sell	929,536	0.60
	At the end of the year						9,29,536	0.60
11	Luckpro Pte Ltd.	7,50,000	0.48	30.12.16	7,50,000	Sell	0	0.00
	At the end of the year						0	0.00
12	Rajratan Babulal Agarwal	7,03,933	0.45	-	-	-	-	-
	At the end of the year						7,03,933	0.45
13	Dagasandeep Ramdas	6,75,000	0.43	05.08.16	10,000	Purchase	6,85,000	0.44
	At the end of the year						6,85,000	0.44

Includes shareholder who were top 10 shareholder at the beginning of the year though ceased to be in the list at the end of the years and also the shareholders who joins the list during the year.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	Date	Increase (+)/ Decrease (-) during the year	Reason	No. of shares	% of total shares of the company
1	Mrs. Archana A Mittal	9,85,59,288	63.11	-	-	-	9,85,59,288	63.11
	At the end of the year						9,85,59,288	63.11
2	Mr. Ajay S Mittal	1,85,60,937	11.88	-	-	-	1,85,60,937	11.88
	At the end of the year						1,85,60,937	11.88
3	Mr. Rishabh Shah	7,955	0.01	-	-	-	7,955	0.01
	At the end of the year	-	-				7,955	0.01
4	Ms. Savita Dalal	50	0.00	-	-	-	50	0.00
	At the end of the year	-	-				50	0.00

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,28,62,73,744	11,35,83,343	-	12,39,98,57,087
ii) Interest due but not paid	5,59,60,56,874	22,90,166	-	5,59,83,47,040
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	17,88,23,30,617	11,58,73,509	-	17,99,82,04,127
Change in Indebtedness during the financial year				
* Addition	-	24,02,65,799	-	24,02,65,799
* Reduction	3,17,14,47,346	25,93,31,671	-	3,43,07,79,018
Net Change	-3,17,14,47,346	-1,90,65,872	-	-3,19,05,13,219
Indebtedness at the end of the financial year				
i) Principal Amount	9,11,48,26,397	9,45,17,471	-	9,20,93,43,868
ii) Interest due but not paid	1,25,37,64,106	39,452	-	1,25,38,03,558
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	10,36,85,90,503	9,45,56,923	-	10,46,31,47,426

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

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Ajay S Mittal- Managing Director	Mrs. Archana A Mittal- Joint Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act*	-	-	-

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

B. Remuneration to other directors

(Amount in Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ashish Bairagra	Mr. Rishabh Shah	Prof. G.Raghuram*	Mr. Mukesh Kacker	
1	Independent Directors					
	Fee for attending board committee meetings	1.40	1.15	0.20	1.00	3.75
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1.40	1.15	0.20	1.00	3.75
	Total Managerial Remuneration	1.40	1.15	0.20	1.00	3.75
	Overall Ceiling as per the Act	Nil*				

*Prof. G. Raghuram has resigned as an Independent Director on 18th May, 2017, Since the Company has incurred Losses, hence overall ceiling cannot be calculated. The Company did not paid any managerial remuneration during the financial year under review. As per Section 197 (3) & Section 197(5) of the Companies Act, 2013 read with rule 4 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 sitting fees paid to the Director's is excluded from determining quantum of Managerial Remuneration.

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

(₹ in Lakh)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Savita Dalal - CS	Mr. S Maheshwari -Group President & CFO	Total
1	Gross salary	13.00	25.52	38.52
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.00	25.52	38.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...			
5	Others, please specify	-	-	-
	Total	13.00*	25.52	38.52

*salary being paid from subsidiary company.

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Date: 26th August, 2017

ANNEXURE-IV**FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

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

To,
The Members,
Arshiya Limited

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

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure - I** for the Financial Year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under,
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under is applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The other Laws applicable specifically to the company is Annexed with this Report as **Annexure II**

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

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

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

- (i). The remuneration of ₹ 83,52,500/- (Rupees Eighty Three Lacs Fifty Two Thousand Five Hundred Only) paid to Mr. Suhas Thakar, Executive Director, for the period commencing from 01st June, 2013 to 31st March, 2014 out of which ₹ 35,52,500/- (Rupees Thirty Five Lacs Fifty Two Thousand Five Hundred Only) was in excess of the limits prescribed under Section 198 read with Schedule XIII of the Companies Act, 1956. The Company has applied to the Central Government for approval of waiver of recovery of excess remuneration on 26th October, 2015. Application was rejected by MCA and Board accordingly instructed Mr. Navnit Choudhary & Mr. Kuntal Lohiya for the recovery of excess paid to Mr. Suhas Thakar.

As on 31st March, 2017 ₹ 42,10,097/- (Rupees Forty Two Lacs Ten Thousand and Ninety Seven Only) is pending to be recovered and documentary evidence of amount recovered is to be received.

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

RBI hearing date yet to be received.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

For Aabid & Co
Company Secretaries

Mohammad Aabid
Partner
Membership No.: F6579
C.P.No.:6625

Place: Mumbai

Date: 18th May, 2017

ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31st March, 2016.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration committee, along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Agenda papers submitted to all the directors/members for the Board Meetings and Committee meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of Companies Act, 2013.
7. E-forms filed by the company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
8. Intimations / documents/ reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.
9. Statutory Registers viz.
 - Register of Directors' & Key Managerial Personnel (KMP)
 - Register of Members
 - Register of Charges
 - Register of contracts with related parties
 - Register of Investments
 - Register of loans, guarantee, security and acquisition made by the company

ANNEXURE - II

List of Applicable Laws to the Company

Registered Office:

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

Under the Major Group and Head:

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

ANNEXURE-III

**To,
The Members,
Arshiya Limited.**

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

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

ANNEXURE - V

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

- a.) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year
- Median remuneration of all employees for the financial year 2016-17 : ₹ 5,71,070/-
 - Since none of the directors is being paid any remuneration hence aforementioned ratio for the financial year cannot be ascertained. Only Independent directors are paid sitting fee @ ₹ 20,000/- (Rupees Twenty Thousand only) per Board Meeting and @ ₹ 5,000/- (Rupees Five Thousand only) per Audit Committee meeting.
- b.) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name of the Director/ KMP	percentage increase in remuneration during financial year 2016-17
Mr. Ajay S Mittal	NIL
Mrs. Archana A Mittal	NIL
Mr. Ashish Bairagra	NIL
Mr. Rishabh Shah	NIL
Mr. Mukesh Kacker	NIL
Prof. G. Raghuram	NIL
Mr. S Maheshwari	N.A.*
Ms. Savita Dalal	44%

*appointed as CFO w.e.f. 08thFebruary, 2017.

- c.) The percentage increase in median remuneration of employees in the financial year 2016-17 : 10.00%
- d.) The number of permanent employees on roll of the Company as on 31st March, 2017 : 150
- e.) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- Average percentage increase in salary of the Company's employees was 8.00%. The total managerial remuneration for the financial year 2016-17 was ₹ 38,52,083 (Rupees Thirty Eight Lakh Fifty Two Thousand Eighty Three only) as against ₹ 1,61,42,379 (Rupees One Crore Sixty One Lacs Forty Two Thousand Three Hundred Seventy Nine only) during the previous financial year 2015-16.
- f.) Affirmation that the remuneration is as per the remuneration policy of the company: Yes

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

Employee Name	Designation	Educational Qualification	Age	Experience (in years)	DOJ	DOL	Gross remuneration Per Month (₹) - Mar'16	Gross remuneration Per Month (₹) - Mar'17	Previous employment and designation
S Maheshwari	Group President	BE(MECH), MMS	52	27.1	15-Mar-16	-	14,58,333	14,58,333	Essar Steel India Ltd. & Senior Vice President

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

Place: Mumbai
Date: 26th August, 2017

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

ANNEXURE - VI

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

(A) Conservation of energy:

1. Steps taken or impact on conservation of energy:
 - Conservation of energy is an ongoing process in the activities of the Company. The core activity of the Company is to setting up and carry on activities pertaining to Free Trade & Warehousing Zone which is not an energy intensive activity.
2. Steps taken by the company for utilizing alternate sources of energy:
 - Your company has taken all steps for conservation of energy at all level of operations of the Company.
3. Capital investment on energy conservation equipments.
 - N.A.

(B) Technology absorption:

1. Efforts made towards technology absorption:
 - Your company has taken all efforts to introduce innovative technologies and automation to the extent possible with a view to reduce cost to the optimum level.
2. Benefits derived like product improvement, cost reduction, product development or import substitution:
 - Saves cost, time and improves the quality.
3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
 - a. The Details of technology imported: None
 - b. Year of Import: N.A.
 - c. Whether the technology has been fully absorbed: N.A.
 - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.
4. Expenditure incurred on Research and Development:
 - NIL

(C) Foreign exchange earnings and Outgo:

	(Amount in ₹)	
	F.Y. 2016-17	F.Y. 2015-16
Foreign Exchange earnings	17,20,70,213	16,93,76,774
Foreign Exchange outgo	27,91,143	37,99,899

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Place: Mumbai
Date: 26th August, 2017

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMIC OVERVIEW

The Indian economy growth slowed down to 6.1 percent in last quarter of FY 2017, its lowest in more than two years and well below market expectations of 7.1 percent as a result of disruptions to consumption and business activity owing to various economic reason including demonetization by Government of India. Considering the April 2016-March 2017 period, the economy advanced 7.1 percent, in line with the official estimate but below 8 percent forecasts at the earlier in the year. The dip in consumption, construction, manufacturing and trade services has slightly altered the country's status as the world's fastest-growing major economy. However as per IMF assessment, the growth forecasts remain optimistic once economic reforms kick in.

The government has made significant progress on important economic reforms, which will support strong and sustainable growth going forward. In particular, the implementation of the Goods and Services Tax (GST). Many observers predict a boost after the roll out of the GST from July 1, 2017 however the impact of demonetization which was assumed to be prevalent in first half of the year need to be observed.

Challenges remain, however, and there is little scope for complacency. A key concern is the health of the banking system, which is still dealing with a large amount of bad loans, and also heightened corporate vulnerabilities in several key sectors of the economy.

Though in the short term the demonetization is said to have contributed to slowdown of growth, in longer run it generates an opportunity to increase the size of the formal economy and broaden financial intermediation. It can also support a widening of the tax base, help reduce the fiscal deficit, enhance bank liquidity, and give a fillip to the government's efforts to promote greater financial inclusion.

The IMFs report said India's medium-term growth prospects are favorable, with growth expected to rise to about 8% over the medium term due to implementation of key reforms, loosening of supply-side bottlenecks, and appropriate fiscal and monetary policies.

INDUSTRY OVERVIEW

Logistic industry is an interplay of infrastructure, technology and new types of service providers. The ability of these pillars to help customers reduce their costs in logistics and provide effective services defines the success of the industry.

Transportation alone holds 60% share of the logistic industry and the remaining 40% is contributed by warehousing, freight forwarding, value-added logistics, etc. Furthermore, with respect to India's GDP growth the logistics industry is expected to grow at a CAGR of 15-20% during FY2016-FY2020 growing to a size of USD 200 billion by 2020.

The transport and logistics sector has demonstrated growth in the current year in the backdrop of a challenging global economic situation. Continuing on the reform agenda, the FY2017-18 Union Budget is built on forward-looking themes for holistic growth in the sector.

An allocation of USD 10 billion to expedite the creation and expansion of highways, in addition to an investment of USD 420 million (along with the state governments) on rural roads is aimed at improving first and last mile transport and providing seamless connectivity.

The increased allocation of funds for Railways along with a focus on improving service capabilities and offering end-to-end commodity plans is expected to enhance competitiveness of Railways vis-à-vis roads and other modes.

While there were no major announcements to boost the growth in ports traffic, the continued focus on the Sagarmala project, the development of Coastal Economic Zones and improving hinterland connectivity are expected to boost the maritime sector in the long term.

The institutionalized framework for dispute resolution could lead to effective and speedy resolution of infrastructure sector (PPP) disputes, which is a welcome step towards attracting private investment in the sector. Further, the institutionalized framework is expected to witness an increase in the use of technical and financial experts to resolve disputes.

Rail Transport

As much as 28% of the total freight in India is currently transported by rail. Improved railway infrastructure can play a great role in increasing the share of freight and decreasing the logistic cost substantially. Growing freight traffic is taking a toll on road networks, stressing the need to reassess its freight modal mix.

The Government of India has undertaken a five-year railways transformational plan and envisaged an investment of USD 133 billion over the next five years. The objective of the plan is to aid expansion of current capacity, modernization of infrastructure, and decongestion and expansion of network. Through this proposed increase in investment, the government is looking to increase annual freight capacity to 1.5 billion tonnes from the current 1 billion tonnes, over next five years.

The freight traffic like cement, petroleum products, iron, steel and other commodities including containers has been moving away from the railways to roadways because of the highly competitive model.

ICD Overview

Inland Container Depot (ICD), Container Freight Stations (CFS), Container Haulage, and Multimodal Transport Operator (MTO) are an integral part of Container Logistics market. An Inland Container Depot (ICD) provides a combination of services to facilitate exporters and importers for smooth handling of cargo. An ICD in India is generally situated in the hinterland, unlike a CFS which is in proximity to the port.

There have been 282 Dry ports (ICD and CFS) in India out of which 63 are owned by the state owned operator and remaining 219 by private investors and other bodies.

Dry ports have been set up with great exigency in post-reform India in regions which have a concentration of Export Oriented Units (EOUs) such as Delhi Mumbai Industrial Corridor (DMIC), to facilitate movement of export oriented cargo to the seaports. Once established, the ICDs encourage the growth of existing EOUs and facilitate the establishment of new ones. The DMIC states have approx. 50% of the Dry ports out of which 15% are located at North Indian states. The concentration of dry ports and EOUs in the Delhi-Mumbai Industrial Corridor signifies the well-developed logistic supply chain management of traffic flow in the region. Dry ports in India cater more to the international (83% share) than domestic traffic.

A majority of the network of 52 dry ports is served almost exclusively by the electrified mainlines of the Indian Railways due to long container hauls between the dry ports and the seaports. However road transport have competitive advantage in the case of short-haul routes, high cube- low weight containers on long-haul routes, low haulage charges and flexibility in loading cut-off time.

The biggest dry port in India is situated at Tughlakabad (TKD) and its hinterland comprises of all states of Northern and Western India. Import commodities primarily include plastics, polymers, chemicals and metals whereas export commodities primarily include leather products, readymade garments, machinery and agricultural products.

Apart from TKD other major ICDs near NCR region are at Dadri, Panipat, Dandhari Kalan, Patparganj, Fairdabad, Loni, Patli, Rewari, Bhiwadi and our own ICD at Khurja.

Many factors play a crucial role in the success of ICDs such as the location of the facility, infrastructure of port and the ICD/ CFS, operational efficiency, relationships with shipping lines and CHAs, ability to offer integrated and customized services to clients.

The slowdown in India's trade volume mostly affected the CFS & ICD market in the overall logistics sector mainly due to the large debt-funded infrastructure investment made in the sector and rising competition.

Free Trade Warehousing Zone (FTWZ)

The objective of FTWZ is to create trade-related infrastructure to facilitate the import and export of goods and services with freedom to carry out trade transactions in free currency and flexibility of carrying out various types of transactions based on business needs. They can be used for Transshipment i.e. import from overseas into FTWZs and re-export with or without value addition; import from overseas to domestic tariff areas (DTAs) through FTWZ with or without value addition that allows vendor inventory management and just-in-time delivery; export from DTA/ Export Oriented Units (EOUs)/other SEZs to overseas through FTWZ with or without addition; export from overseas and DTA to FTWZ and re-export to overseas through FTWZs; and import from overseas to DTA through FTWZs with addition of domestic inputs at FTWZs.

OVERVIEW OF GLOBAL LOGISTICS INDUSTRY

The growth of the global logistics market is directly related to the development of international trade flow and the current economic environment. Asia Pacific and North America appear to be the most attractive markets for logistics, particularly when it comes to contract service such as third-party logistics (3PL). Intra-regional trade in emerging markets is becoming important, especially in Asia Pacific, and this, combined with high GDP rates, is projected to continue boosting the logistics market.

The global logistics market, in terms of revenue, is set to expand to USD 15.5 trillion by 2023, registering a CAGR of 7.5% and by volume, the market is expected to clock in a 6.0% CAGR.

Based on the type of transport infrastructure, the logistics market is segmented into roadways, waterways, railways, and airways. Road freight transport is the most widely used transport infrastructure globally and has proven to be vital to the social integration and economic development of various countries.

Flexibility of operations, easy accessibility, reliability, and availability of door-to-door services have enabled road transport to gain an increasingly higher share in the logistics market, both in terms of freight traffic and passenger transport. With improved road infrastructure in economies such as North America, Europe, and Asia Pacific, road transport is likely to continue its trend as the most favored mode of logistic transport.

The logistics market in North America has grown significantly over the years. This can be attributed to an increase in trade activities between the U.S. and South America and Europe.

Germany is a prominent market for logistics in Europe, while other countries such as the U.K. and France have also been contributing considerably to the regional market. Europe is recovering from an economic slowdown and logistics companies are making massive investments to improve the infrastructure in various countries.

Latin America is perhaps the most noteworthy market for logistics in the Rest of the World (RoW) segment. Emerging nations such as Brazil and Argentina have shown massive potential for development due to growing trade activities among various other developing countries.

Asia Pacific led the global logistics market due to the significant contribution from countries such as China, India, Singapore, Indonesia, Japan, and Malaysia. China is the major contributor to the growth in this region due to the presence of a large manufacturing base. India, on the other hand, is one of the most promising markets, which has attracted the government as well as logistics players to make massive investments in the country.

OVERVIEW OF INDIAN LOGISTICS INDUSTRY

The Indian logistic industry is expected to grow steadily, led by e-commerce penetration, 'Digital India' economy revival, GST implementation and government initiatives like 'Make in India', National Integrated Logistic Policy, 100% FDI in warehousing, food storage and food processing park facilities, etc. Since logistics business is directly correlated with economic activity, the logistics industry is expected to grow at 1-1.5 times of GDP. Considering the aforementioned aspect, the Indian logistic industry is projected to grow at CAGR of 15-20% during FY 2016-FY 2020.

Despite these reasons, the logistic sector in India is trapped in several complexities such as higher logistic costs and complex tax structure. The complex tax structure will be resolved by implementation of Goods and Service Tax (GST) which is likely to trim the logistic costs upto 20% from the current levels, however, development of logistics infrastructure is of foremost importance to bring down the persisting high logistic costs.

The Indian logistic sector is primarily categorized into four segments comprising transportation, warehousing, freight forwarding and value-added logistics. The transportation which contributes maximum to the whole pie of logistic sector comprises various means such as road, rail, air and water. India being emerging country has prime dependency upon transportation through land, i.e. through road and rail together which contributes about 60% followed by Warehousing 24.5% comprising industrial and agricultural storage.

Despite being a lower cost service providing country, India has higher logistics cost due to various issues and challenges faced by the industry. Apart from being entangled in complex tax structure, the industry is also affected by poor rate of customs efficiency of clearance processes and procedures thus affecting the international export logistics stratum.

GOVERNMENT INITIATIVES

The development of central components of the supply chain network such as Warehouses, Inland Container Depots, Container Freight Stations, Free Trade Warehousing Zones (FTWZ) and Logistics Parks (LP) have grown in India. Some of the initiatives on building roads highways and rural infrastructure by government of India to provide much needed impetus to logistics market are,

- Allowance of 100% FDI in logistics sector
- Development of the port sector via Maritime Agenda-Vision 2020 Investments in shipbuilding along with policies to invite private sector to build Logistics Parks (LP) and Free Trade Warehouse Zones (FTWZ)
- Four 'Dedicated Freight/Industrial Corridors (DFC's), the North-West and North-East DFC's to be commenced by 2018 and envisaged industrialization along the Delhi-Mumbai Industrial Corridor (DMIC)
- Goods and Services Tax (GST) - To improve export competitiveness and favorably benefiting various facets of logistics including transportation, freight forwarding, warehousing, contract logistics, container services, and express cargo delivery etc.
- The Sagarmala National Perspective Plan; Connectivity Projects of Railways, Highways & Inland Waterways; Coastal Shipping and development of Coastal Economic Zones
- The Rail Vikas Nigam Limited, a SPV to strengthen Golden Quadrilateral and Port Connectivity
- Projects undertaken by NHAI to improve the last mile connectivity.

GOODS AND SERVICES TAX

The implementation of GST would provide respite to certain extent to the logistics industry. GST is a colligation of multiple taxes levied by both Central (i.e., excise duty, countervailing duty and service tax) and State (Value-added tax, Octroi and entry tax, luxury tax etc.) Governments when an end-user purchases goods or services.

The dual GST model (central GST and state GST) replaces around 29 state and federal taxes and tariffs for a single tax at the point of sale. It means same level of taxation would be charged on a specific product or service across the entire country irrespective of different states of manufacturing and final sell. The current combined Centre and State statutory rate for most goods works out to be 26.5% (Cenvat of 14%, and VAT of 12.5%), whereas post GST implementation the same is expected to reduce to standard rate of about 5- 28% which will be levied on most goods and all services.

The rollout of GST, in India would dissolve the existing indirect tax structure i.e. multiple taxes that is being split between center and state governments leading to reduction of about 20% of current logistic costs.

Impact on logistics industry overall

Interstate tax burden

The previous tax structure of different tax rates for each of India's 29 States levied for inter-state transport of goods that apart from Central Sales Tax (CST) would no longer be applicable and uniform taxation and no varying tax structures would be allowed across states.

Nature of the industry

With the introduction of GST, there is likely to be major consolidation of large number of unorganized players which has resulted into fragmentation of the logistics industry. It could see the emergence of major large players who can span the entire logistics chain at pan India level.

Logistics time

Improvement in the logistic time after phasing out the border check posts resulting in improvement in operational efficiency through quicker and increased number of deliveries along with reduction in logistic cost during the transit. As per World Bank estimation Indian corporates can save upto 30-40% of logistic costs incurred due to stoppages at various tolls and check posts which results into 30-40% of idle time for trucks.

Costs

GST tax will be levied on transportation of goods and full credit will be available on interstate transactions. Logistic costs are expected to decrease by 1.5 - 2 % of sales on account of optimization of warehouses leading to lower inventory costs which are set up across states to avoid paying Central Sales Tax. There is immense scope for optimization of costs.

Impact on Third Party Logistics(3PL) service providers

Post GST implementation the 3PL's would have to restructure their business model and realign its operations in line with changes in the operations of its customers in the new scenario. Currently, 3PL's have warehouses located near major distribution centers of its key clients (different industries) irrespective of its geographic disadvantage mainly to avoid interstate taxes. However, post GST implementation 3PL's are expected to build integrated warehouses at logistic suitable locations. Accordingly, 3PL's would have to restructure the assets to accommodate the long distance consignments which will occur with this scenario of free movement of goods across the country.

The consumer durables sector is expected to witness maximum drop in the logistics costs as a percentage of total sales, as their warehouses are built at different states to avoid interstate tax. Mostly, the consumer-oriented industries are going to have high impact of GST on its operations model rather than capital intensive industries.

Impact on Warehousing**Reduction in number of warehouses and better organization**

The most likely strategy for warehousing portfolios in the post GST era is that of consolidation followed by expansion. In the post-GST scenario, the concept of a mother warehousing hub for a region supplemented by spokes is expected to become more popular thereby providing an ideal platform for the emergence of large scale nationwide players. The need to build warehouse in each state would be almost over and this will lead to better organized warehouses and ultimately, enhancing the overall efficiency.

Better inventory control and enhanced demand forecasting

GST would have a huge impact on inventory efficiency as there would be lesser stocking points and case of stock outs would also be fewer.

Cost Benefits

GST will diverge the attention of conscious tax savings on supply chains to efficiency oriented approach as warehousing sector will be optimized to a greater deal. This will not only save logistics costs for logistics service providers but these benefits would be passed on to the customers too.

Technology Implementation on a larger scale

Last but foremost important, the success of GST depends upon robust IT network connecting all the state governments, trade, industry, financial institutions, etc. The development of real time business model by the special purpose vehicle in the name of Goods and Service Tax Network (GSTN) promoted by Government of India, various State Government bodies and non-Government financial institutions plays a vital role. The warehouses would definitely benefit from technological sophistication by implementing state-of-the-art planning and warehousing systems which are not possible in smaller and scattered warehouses.

The logistics and supply chains will start exploring technological solutions to achieve 'Sustainable Supply Chain' balancing social, economic, business and environment objectives.

One of the biggest competitive edge a company can gain is by analyzing the massive data captured and taking business decision based on patterns identified. Machine Learning will be combined with Supply Chain Management for turning volumes of passive data into actionable business intelligence. Machine Learning will be incorporated to dynamically create a supply chain for incoming orders, improve demand forecasting accuracy, predicting trends and performance etc.

We can assume very safely that impact of GST on warehousing in India is going to lead us in the positive direction. Warehousing sector is bound to get more organized with improved supply chain efficiency and overall profits are there to be reaped.

FUTURE OUTLOOK FOR LOGISTICS INDUSTRY

The implementation of GST would also benefit the companies operating in this industry. The implementation of GST, would benefit immensely the players in organized sectors in terms of consolidation and merging of smaller players with larger organized players to leverage the mutual benefits. Furthermore, the sector would also attract interest from international logistic players through FDI, JVs or acquisitions, which in turn propels the industry to march towards the developed market standards of logistic performance index.

The logistics sector is moving from a traditional setup to the integration of IT and technology to their operations to reduce the costs incurred as well as to meet the service demands. The growth of the Indian logistics sector depends upon its soft infrastructure like education, training and policy framework as much as the hard infrastructure.

With the current Government many policies are expected to be implemented which will give a fresh impetus to India's growth engine particularly in the corporate and SME sector which in turn will expand demand for the logistics sector.

With the implementation of GST, logistics companies, which are currently forced to set up many small warehouses across multiple cities can set up just a few, big warehouses region wise and can follow the hub-and-spoke model for freight movement from the warehouses to the different manufacturing plants, wholesale outlets, retail outlets and the various POS. This growth is backed by the boom in the e-commerce sector and expansionary policies of the FMCG firms.

This has increased the service geography of the logistics firms but they also have to meet the demands of quick delivery and tight service level agreements. The industry has moved from being just a service provider to the position which provides end to end supply chain solutions to their customers. Thus, all this has paved the way for further growth of Logistics and Warehousing industry in the coming years.

RISKS AND CONCERNS

Risk Management

Risk in literal terms can be defined as the effect of uncertainty on the objectives. Risk is measured in terms of consequences and likelihood. Risks can be internal and external and are inherent in all administrative and business activities. Every member of any organization continuously manages various types of risks. Formal and systematic approaches to managing risks have evolved and they are now regarded as good management practice also called as Risk Management.

Risk Management is the identification, assessment, and prioritization of risks followed by co-ordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of uncertain events or to maximize the realisation of opportunities. Risk management also provides a system for the setting of priorities when there are competing demands on limited resources.

Effective risk management requires: (i) A strategic focus, (ii) Forward thinking and active approaches to management (iii) Balance between the cost of managing risk and the anticipated benefits, and (iv) Contingency planning in the event that critical threats are realised.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, business cycle, increase in price and costs, limited resources, retention of talent, etc.

Major risks in each category

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The Company has identified following major risks that have impact on the business & profitability.

Operational Risk

Risks inherent to business operations including those relating to incorrect practices in O&M, incorrect estimation, unfavorable and ambiguous contract terms, delay in collections, time extensions, labour unrest, disputes and technology obsolescence, etc.

Credit Risks

This risk arises from delay in realization of debtors and irregular payments. This may create an undue pressure on cash management and will result in financial mismanagement leading to liquidity trap.

Resources Risks

Risks arising from inappropriate sourcing or sub-optimal utilization of key organizational resources such as talent, capital and infrastructure, erosion of talent/skills and ineffective HR Policies will have significant bearing on the bottom line of our business.

Regulatory & Compliance Risks

The complexity of the business and regulatory landscape is increasing dramatically. The Company is exposed to risks arising from inadequate compliance to regulations, sudden burst of new regulations, contractual obligations and intellectual property violations leading to litigation and loss of reputation, change in law, etc. The critical compliance and regulatory issues include: • Protecting

reputation and value; • Meeting the demands and expectations of investors, regulators, legislators, employees and other key stakeholders;

Business Risks

Risks arise out of excessive dependency on selected portfolio of customers, change in political and economic environments, loss of trust in the market, fluctuations in foreign exchange rates, competition and litigations.

Counterparty Risks

Risks arising from our association with entities for conducting business will have impact on the performance of the Company and will affect Company's reputation as well as profitability. These include clients, vendors, transporters, and their respective industries. Suspension of works, variations, delay in delivery, non-performance of suppliers & contractors, etc. are some of the major risks associated with our customers and vendors/suppliers.

Reporting Risks

Risks arising out of wrong information provided in reports and other submissions, improper valuation of inventory, over certification of contractor bills, improper planning and progress reports, etc. are some of the risks that fall under this category.

MITIGATION STRATEGIES

Depending upon the occurrence, severity and prevailing situation the Company will adopt any of the 4Ts (Treat, Transfer, Tolerate and Terminate) strategies to mitigate the risks.

Treat This strategy seeks to reduce the risk probability or its impact by taking early action to reduce the occurrence of the risk to an acceptable limit. Risk mitigation may take the form of implementing new processes, undertaking more preliminary work or selecting more stable suppliers. Risk mitigation can also include changing conditions so that the probability of the risk is reduced, by adding resources or time to the program.

Transfer Risk transfer is seeking to move the consequence of a risk to a third party together with ownership of the response. Transferring the risk does not eliminate it; it simply gives another party responsibility for its management. This is the most effective way of dealing with risk exposure and can be by a contract to another party or by payment of a premium in the case of insurance.

Tolerate This strategy indicates that the company has decided not to change the business plan and to deal with a risk, or is unable to identify any other suitable strategy to adopt. Risk acceptance may also occur when the cost of dealing with it would not be cost effective. In this event the development of a contingency plan to execute should the identified risk occur is a natural step. Active risk tolerance may include developing a contingency plan to execute should a risk occur. Passive tolerance requires no action leaving the business team to deal with the risks as they occur.

Terminate Risk termination or avoidance is changing the business plan to eliminate the risk or to protect the business objectives from its impact. Although not all risks can be eliminated, some may be avoided by taking this pre-emptive action.

CONCERNS

The key concerns related to the sector are:

Transport infrastructure

The logistics and warehousing industry has a very high dependence on physical infrastructure. The challenges pertaining to it are manifold ranging from lack of ample road and rail network to accessible storage options. India lacks efficient road and rail network to facilitate smooth movement of goods.

Fragmented market

The logistic sector is highly unorganized and fragmented. Most of the truck operators are small private players and are unable to contract directly with the clients. As a result of this, mediators come into play and generate business for them and take commission. All this leads to operational inefficiencies and compels the truck owners to overload in order to achieve profit margins. Since the operations are so fragmented, economics of scale cannot be adopted.

Absence of 3PL logistic operators

In developed countries, all logistic related services are outsourced to logistic service provider. These operators ensure cost effective supply chain measures to reduce the cost. In comparison to countries like Japan where 80% of logistic services are taken care by 3PL operator and USA where 57% of logistic services are taken care by 3PL operator, in India the share is merely 9%.

Lack of trained manpower

Most of the warehousing players lack the required expertise leading to operational inefficiencies. As the industry evolves, the need for experts is also expected to grow. A majority of logistic players today have limited knowledge of material loading, handling and storage, as a result it leads to wastage.

Port Connectivity

Apart from this, connectivity of ports with major manufacturing centers are also one of the main concerns.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance is being discussed in the Directors Report.

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

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

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Transparency and accountability are the two basic tenets of Corporate Governance. The Company emphasizes the need to attain the optimum of both in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth. Your Company continuously endeavours to uphold the values of transparency, integrity, professionalism and accountability and improve upon these aspects on an ongoing basis to help the Company move forward. The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices.

CORPORATE GOVERNANCE FRAMEWORK

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

We firmly believe that an active, well-informed and independent board is necessary to ensure higher standard of Corporate Governance and to bring objectivity and transparency in the management and in the dealings of the Company. As on 31st March, 2017, the Board consist of six Members of which four are independent directors.

1. BOARD OF DIRECTORS

a) Composition of Board:

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

As at 31st March, 2017, our Board consist of Six Members with Promoter Director as Chairman and Managing Director, One Woman Director, and Four Non-Executive Independent Directors. The composition of our Board is in conformity with the requirements of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Role of Board of Directors:

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

c) Board Membership Criteria:

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

d) Attendance at Board Meetings:

During the year under consideration six meetings of the Board were held on 25th May, 2016; 10th August, 2016; 01st October, 2016; 12th November, 2016; 08th February, 2017 and 30th March, 2017.

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

Sr. No.	Name of the Directors	DIN	Category	Number of Board meetings held during the Year 2016 - 2017		Directorships in other Public Companies	Membership / Chairmanship of Committees in other Public Companies		Attendance at the A.G.M Held on 29 th July, 2016
				Held	Attended		Chairman	Member	
1	Mr. Ajay S Mittal	00226355	PD	6	6	8	1	7	Yes
2	Mrs. Archana A Mittal	00703208	WPD	6	5	4	-	0	Yes
3	Mr. Ashishkumar Bairagra	00049591	NEI	6	6	6	6	8	Yes
4	Mr. Rishabh Shah	00694160	NEI	6	5	4	2	8	Yes
5	Prof. G. Raghuram	01099026	NEI	6	1	3	-	6	No
6	Mr. Mukesh Kacker	01569098	NEI	6	5	1	-	1	No

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

e) Independent Directors:

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

f) Separate Meeting of the Independent Directors:

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

The Independent Directors held a Meeting on 8th February, 2017, without the attendance of Non-Independent Directors and Member of Management. All the Independent Directors were present at the meeting.

g) Training of Independent Directors:

Whenever new Non-Executive and Independent Director(s) are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risk and management strategy and related matters are available on our website <http://www.arshiyalimited.com/assets/pdf/familiarisationprogrammes20160407103729.pdf>

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

Performance Evaluation:

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

h) Materially significant related party transactions:

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

2. COMMITTEES

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

A. AUDIT COMMITTEE

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

The Committee comprises of 2 Non-Executive Independent Directors and 1 Promoter Executive Director as on 31st March, 2017:

- | | | |
|--------|---------------------|------------|
| (i.) | Mr. Ashish Bairagra | - Chairman |
| (ii.) | Mr. Ajay S Mittal | - Member |
| (iii.) | Mr. Rishabh Shah | - Member |

The Chairman of the Audit Committee was present at the Annual General Meeting held on 29th July, 2016 to answer Member's queries.

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

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

Audit Committee Attendance:

During the year, the Audit Committee met Four times on 24th May, 2016; 10th August, 2016; 11th November, 2016 and 07th February, 2017.

Details of meetings attended by its members are given below:

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

Powers and Terms of Reference of the Committee:

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

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

B. NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 the Company have a duly constituted Nomination and Remuneration Committee. The Nomination and Remuneration Committee comprises of Three Independent Directors as on 31st March, 2017.

- (i) Mr. Ashish Bairagra - Chairman
- (ii) Mr. Rishabh Shah - Member
- (iii) Prof. G. Raghuram* - Member

* resigned from directorship of the Company w.e.f. 18th May, 2017 and w.e.f. 27th June, 2017 Mr. Ajay S Mittal is inducted as the member of this Committee.

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

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

- Succession planning of the Board of Directors and Executive Committee;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Nomination for election or re-election by the shareholders, and any Board vacancies that are to be filled.
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and Members of the Executive Committee and their remuneration;
- Review the performance of the Board of Directors, Key Managerial Personnel and Members of the Executive Committee based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors, Key Managerial Personnel and Executive Committee Members, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

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

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

Nomination and Remuneration Committee attendance

During the year, the Nomination and Remuneration Committee met three times on 24th May, 2016, 11th November, 2016 and 25th January, 2017.

Details of meetings attended by its members till 31st March, 2017 are given below:

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

- Prof. G. Raghuram has resigned w.e.f. 18th May, 2017

Nomination and Remuneration Committee Report for the Financial Year Ended 31st March, 2017

During the year, the committee discussed the retirement of the Board according to statutory requirements. As per the provisions under the Companies Act, 2013, independent directors are not liable to retire by rotation. As such, none of the independent directors will be retiring at the ensuing AGM. Further, following provisions of Companies Act, 2013, Mrs. Archana A Mittal – Joint Managing Director will retire in the ensuing AGM. The Committee considered her performance and recommended that the shareholders may consider the necessary resolutions for re-appointment of Mrs. Archana A Mittal. As required, a brief profile and other particulars of Mrs. Mittal seeking re-appointment is given in the Notice of the 36th Annual General Meeting.

During the year Committee has also recommended to the Board, the appointment of Mr. S Maheshwari as Chief Financial Officer (CFO) of the Company.

Remuneration paid to Directors

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

Details of Sitting Fees to Non-executive Independent Directors for the year ended 31st March, 2017 are given below:

Sr.No.	Name of Director	Sitting Fees paid (₹)	No. of shares held(Face Value ₹ 2/- each)
1.	Mr.Ashish Bairagra	1,40,000	Nil
2.	Mr.Rishabh Shah	1,15,000	7,955
3.	Prof. G. Raghuram	20,000	Nil
4.	Mr.Mukesh Kacker	1,00,000	Nil

C. SHARE TRANSFER, INVESTOR GRIEVANCES AND STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

Our Share Transfer, Investor Grievances and Stakeholders Relationship Committee comprises of two independent directors and one Promoter Executive Director as on 31st March, 2017.

- (i) Mr. Rishabh Shah - Chairman
- (ii) Mr. Ashish Bairagra - Member
- (iii) Mr. Ajay S Mittal - Member

Share Transfer, Investor Grievances and Stakeholders Relationship Committee Attendance:

During the year, the Share Transfer, Investor Grievances and Stakeholders Relationship Committee met four times on 24th May, 2016; 10th August, 2016; 11th November, 2016 and 08th February, 2017.

Details of meetings attended by its members till 31st March, 2017 are given below:

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

SEBI Complaints Redressal System (SCORES):

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

Name and Designation of Compliance Officer:

Ms. Savita Dalal, Company Secretary and Compliance Officer

Status of Investors Complaints

The details of the complaints resolved during the financial year ended 31st March, 2017 are as follows:

Nature of Complaints	Received	Resolved	Pending
Non receipt of Dividend Warrant	1	1	0

Shareholding in Demat form

The shareholding in dematerialized mode as on 31st March, 2017 was 99.65% (98.29% as of 31st March, 2016).

D. COMMITTEE OF DIRECTORS

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

The Committee of Directors comprises of 2 Non-Executive Independent Directors and 1 Promoter Executive Director as on 31st March, 2017:

- (i) Mr. Ajay S. Mittal - Chairman
- (ii) Mr. Ashish Bairagra - Member
- (iii) Mr. Rishabh Shah - Member

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

Committee of Directors Attendance

During the year Committee of Directors met two times on 21st April, 2016 and 21st March, 2017.

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

E. RISK MANAGEMENT COMMITTEE

The Board of Directors at their meeting held on 08th February, 2017 have dissolved the Risk Management Committee of the Company as the Company does not fall amongst the top 100 listed companies as prescribed under Regulation 21 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

F. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Our CSR Committee comprised of an independent director as chairperson and two Promoter executive directors as members as on 31st March, 2017:

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

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

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

During the year CSR Committee met twice on 25th May, 2016 and 08th February, 2017.

Details of meeting attended by its members are given below:

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

Role

The responsibilities of the CSR Committee include:

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

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

GENERAL BODY MEETINGS

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

Financial Year	Date and Time	Venue
2016-17	EGM- 29 th April, 2017 at 3:00 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018.
2015-16	AGM - 29 th July, 2016 at 10.30 a.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018
	Postal Ballot- 07 th November, 2016	N.A.
2014-15	AGM - 10 th July, 2015 at 3.00 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018
2013-2014	AGM - 10 th September, 2014 at 3.00 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018
	EGM - 29 th May, 2014 at 3.30 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018
	Postal Ballot- 12 th May, 2014	N.A.

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

Meetings held on	Special Resolution passed
AGM- 29 th July, 2016	None
Postal Ballot- 07 th November, 2016	<ul style="list-style-type: none"> • Alteration of the Object Clause of the Memorandum of Association of the Company.
AGM - 10 th July, 2015	<ul style="list-style-type: none"> • Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013. • Payment of remuneration to Major Suhas Thakar (Retd.) as executive Director of the Company. • Waiver of recovery of excess managerial remuneration paid to Major Suhas Thakar, (Retd.) as Executive Director of the Company.
AGM - 10 th September, 2014	<ul style="list-style-type: none"> • To authorise the Board to create charges on the assets of the company. • To authorise the Board to borrow funds on behalf of the company.

	<ul style="list-style-type: none"> Increasing the limits to make loans or investments and to give guarantee or provide security in connection with the loans under section 186 of the Companies Act, 2013.
EGM – 29 th May, 2014	<ul style="list-style-type: none"> Appointment of Statutory Auditors to fill Casual Vacancy.
Postal Ballot- 12 th May, 2014	<ul style="list-style-type: none"> Increase in the authorised share capital of the company Alteration of articles of association Authorization for restructuring of debts Issue of equity shares on Preferential Basis to the Promoters Approval for reappointment and remuneration of Mr. Ajay S Mittal Approval for reappointment and remuneration of Mrs. Archana A Mittal

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

3. CORPORATE GOVERNANCE REQUIREMENTS WITH RESPECT TO SUBSIDIARY COMPANIES

Regulation 24 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 has imposed certain compliances with respect to the subsidiary (ies) of the listed entity. As on 31st March, 2017 the Company has 8 subsidiary companies, including One Material Subsidiaries and one step down subsidiary.

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

4. DISCLOSURES

Disclosure regarding the appointment and re-appointment of directors

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

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

Details of Non-Compliance

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

Code of Conduct

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

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

CEO and CFO Certification

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

Auditors' Certificate on Corporate Governance

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

Prevention of Insider Trading

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

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

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

Related Party Transactions

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

Vigil Mechanism/ Whistle Blower Policy

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

Unclaimed Dividends

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

Disclosure of Accounting Treatment

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

Risk Management

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

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

Reconciliation of Share Capital Audit

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

Green initiative in the corporate governance

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

Implementation of Compliance Management System

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

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

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

On 31st March, 2017 the Company had signed a Restructuring Agreement (RA) with Edelweiss Asset Reconstruction Company Limited (EARC) for restructuring of its Bank dues. As per the said RA the Promoters were to bring in additional Promoters contribution and also the Company to make allotment of equity shares and Zero percent Optionally Convertible Redeemable Preference Shares (OCRPS) to EARC. In compliance with the same the Company had convened an Extra Ordinary General Meeting on 29th April, 2017 and approved issuance of following:

- To Edelweiss Asset Reconstruction Company Limited ("EARC/Lender on behalf of various EARC trusts")
 - Upto 3,21,62,304 (Three Crore Twenty One Lacs Sixty Two Thousand Three Hundred and Four Only) Equity Shares of face value of ₹2/- each.
 - Upto 64,23,329 (Sixty Four Lacs Twenty Three Thousand Three Hundred and Twenty Nine Only) Zero percent Optionally Convertible Redeemable Preference Shares- Series I of face value of ₹10/- each at a price of ₹ 1,000/- each (which includes premium of ₹ 990) to the EARC, which is convertible into, upto 1,54,85,554 (One Crore Fifty Four Lacs Eighty Five Thousand Five Hundred and Fifty Four Only) equity shares of face value of ₹ 2/- each.
 - 13,10,000 (Thirteen Lacs Ten Thousand Only) Zero percent Optionally Convertible Redeemable Preference Shares- Series II of face value of ₹ 10/- each at a price of ₹ 1,000/- each (which includes premium of ₹ 990) to the EARC, which is convertible into, upto 23,82,392 (Twenty Three Lacs Eighty Two Thousand Three Hundred and Ninety Two Only) equity shares of face value of ₹2/- each.
 - 8,70,000 (Eight Lacs Seventy Thousand Only) Zero percent Optionally Convertible Redeemable Preference Shares- Series III of face value of ₹10/- each at a price of ₹ 1,000/- each (which includes premium of ₹990) to the EARC, which is convertible into, upto 47,64,785 (Forty Seven Lacs Sixty Four Thousand Seven Hundred and Eighty Five Only) equity shares of face value of ₹2/- each.
 - 21,40,000 (Twenty One Lacs Forty Thousand Only) Zero percent Optionally Convertible Redeemable Preference Shares- Series IV of face value of Rs.10/- each at a price of ₹ 1,000/- each (which includes premium of ₹ 990) to the EARC, which is convertible into, upto 47,64,785 (Forty Seven Lacs Sixty Four Thousand Seven Hundred and Eighty Five Only) equity shares of face value of ₹2/- each.
- Promoter/Promoter Group
 - Upto 1,00,00,000(One Crore Only) Equity Shares of face value of ₹ 2/- each.
 - Upto 1,00,00,000 (One Crore Only) Warrants carrying an entitlement to subscribe to an equivalent number of equity shares of face value of ₹ 2/- each.
- Non- Promoters
 - upto 25,00,000 (Twenty Five Lac Only) Warrants carrying an entitlement to subscribe to an equivalent number of equity shares of face value of ₹ 2/- each .

Aforementioned shares, OCRPS and warrants are pending for allotment.

Management Discussion and Analysis

Management Discussion and Analysis Report forms part of Annual Report.

Non-mandatory requirements

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

5. COMMUNICATION WITH THE SHAREHOLDERS

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

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

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

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

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

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

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

Means of communication

- The quarterly, half-yearly and annual financial results are usually published in the Free Press Journal, Business Standard and the Navshakti (Marathi).
- The Company has its own website viz. www.arshiyalimited.com and the financial results and quarterly shareholding pattern along with other relevant information useful to the investors are uploaded on the website regularly.
- The 'Investors' section on the Company's website keeps the investors updated on material developments in the Company by providing key and timely information like Financial Results, Annual Reports, Shareholding Pattern, presentations made to institutional investors and analysts etc. A brief profile of Directors is also on the Company's website. Members also have the facility of raising their queries/complaints on share related matters through a facility provided on the Company's website.

6. GENERAL SHAREHOLDER INFORMATION

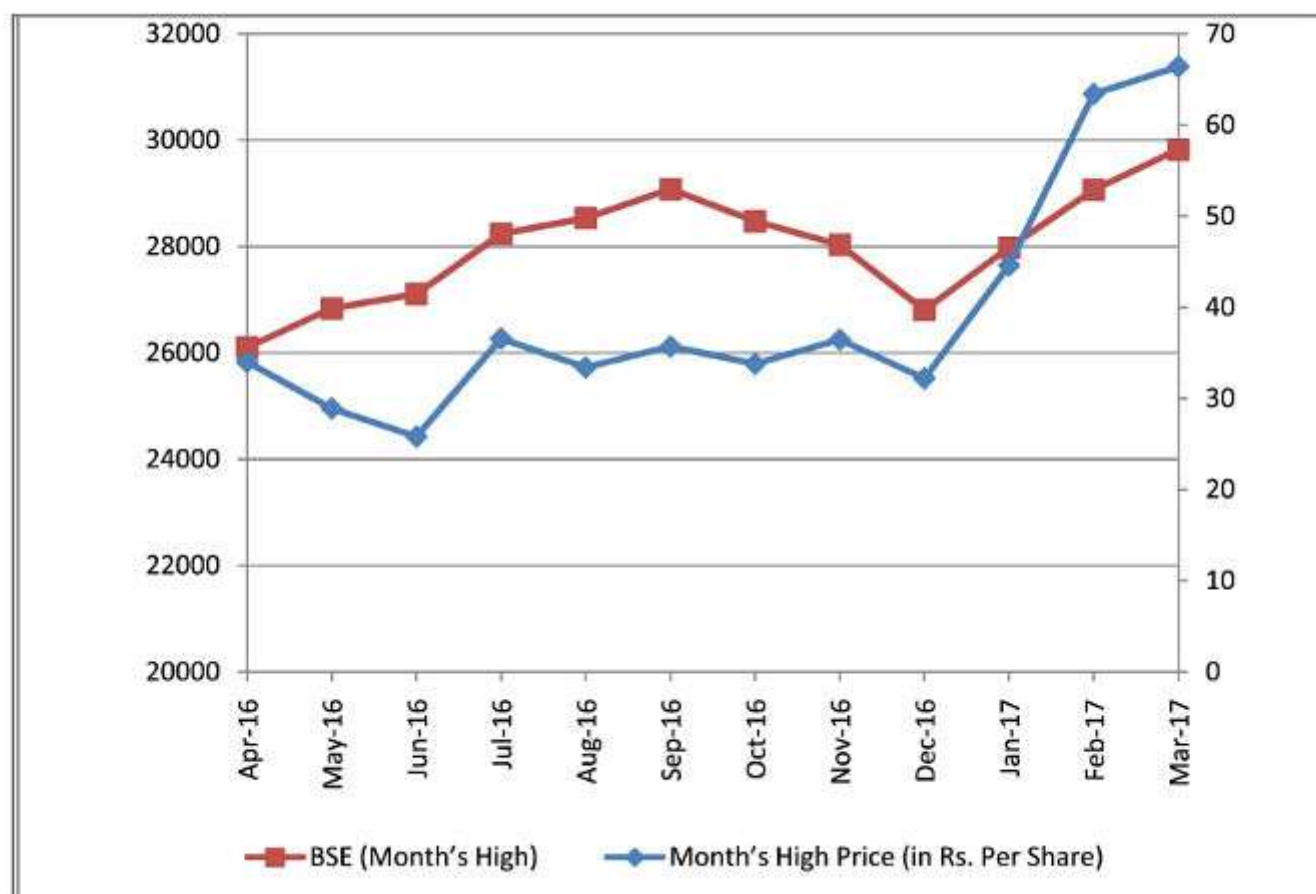
a)	36th AGM	Date: 26 th September, 2017 Time: 03.00p.m. Venue: Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018
b)	Investor Services Financial Calendar for 2017- 2018 (Tentative)	i. 1 st quarter results- on or before 14 th August, 2017 ii. 2 nd quarter results- on or before 14 th November, 2017 iii. 3 rd quarter results- on or before 14 th February, 2018 iv. Audited results for the year- on or before 30 th May, 2018
c)	Date of Book Closure	18 th September, 2017 to 25 th September, 2017
d)	Dividend payment date	N.A.
e)	Listing on Stock Exchanges	BSE Limited. National Stock Exchange of India Limited The Company has paid the Listing fees for the year 2017-2018.
f)	Stock Code Symbol	BSE: 506074 NSE: ARSHIYA
g)	Demat ISIN Number For CDSL and NSDL	INE968D01022

h) Market Price Data and Relative Performance:

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

Month	Bombay Stock Exchange (BSE)*			B/S&P BSE SENSEX*	
	Month's High Price (in ₹ Per Share)	Month's Low Price (in ₹ Per Share)	Month's Volume	Month's High	Month's Low
April-2016	34.00	27.50	10,69,562	26,100.54	24,523.20
May-2016	28.90	19.40	8,57,771	26,837.20	25,057.93
June-2016	25.80	16.00	33,56,927	27,105.41	25,911.33
July-2016	36.55	24.50	37,23,660	28,240.20	27,034.14
August-2016	33.40	27.20	9,14,754	28,532.25	27,627.97
September-2016	35.70	26.85	13,08,824	29,077.28	27,627.97
October-2016	33.80	29.00	4,57,524	28,477.65	27,488.30
November-2016	36.45	23.30	7,17,666	28,029.80	25,717.93
December-2016	32.20	26.80	6,04,487	26,803.76	25,753.74
January-2017	44.60	29.50	25,28,052	27,980.39	26,447.06
February-2017	63.40	37.00	26,92,501	29,065.31	27,590.10
March-2017	66.40	50.00	15,24,350	29,824.62	28,716.21

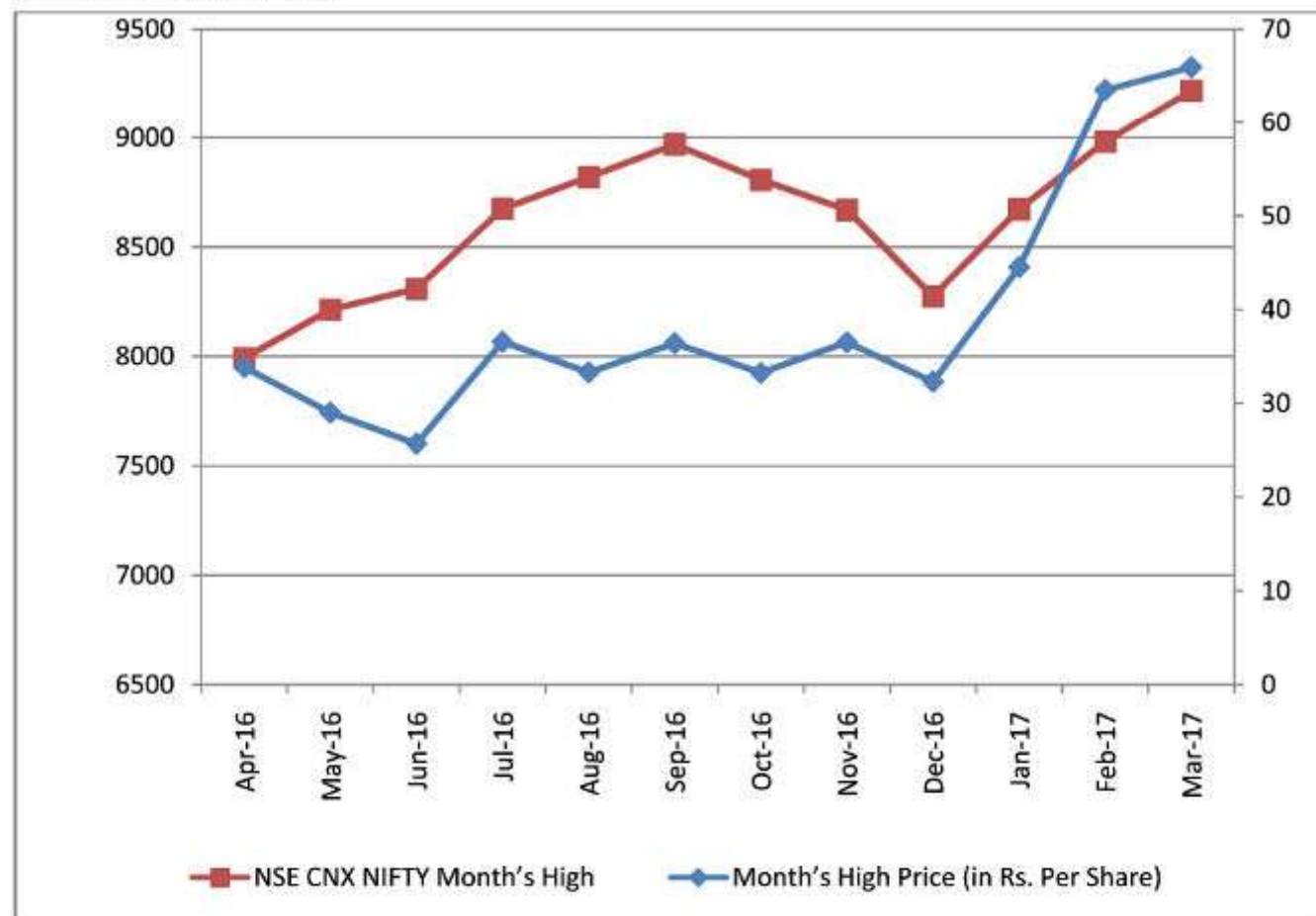
*Source: www.bseindia.com



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

Month	National Stock Exchange (NSE)#			NSE CNX NIFTY#	
	Month's High Price (in ₹ Per Share)	Month's Low Price (in ₹ Per Share)	Month's Volume	Month's High	Month's Low
April-2016	33.85	27.40	5,14,600	7,992.00	7,516.85
May-2016	29.00	19.50	2,50,758	8,213.60	7,678.35
June-2016	25.70	16.00	10,66,618	8,308.15	7,927.05
July-2016	36.55	24.50	10,42,410	8,674.70	8,287.55
August-2016	33.30	27.20	3,19,881	8,819.20	8,518.15
September-2016	36.40	26.60	9,89,655	8,968.70	8,555.20
October-2016	33.25	28.25	1,85,913	8,806.95	8,506.15
November-2016	36.50	23.40	5,98,191	8,669.60	7,916.40
December-2016	32.30	26.50	2,71,308	8,274.95	7,893.80
January-2017	44.50	29.50	12,22,948	8,672.70	8,133.80
February-2017	63.50	38.00	11,81,556	8,982.15	8,537.50
March-2017	65.95	49.50	1,98,895	9,218.40	8,860.10

#Source: www.nseindia.com



i.) Registrar & Share Transfer Agent :

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

j) Share Transfer System:

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

k) Category wise distribution of equity shareholding as at 31st March, 2017:

Category	No. of Shares Held	% age of Shareholding
Promoter and Promoter Group	11,71,20,225	74.9908
Mutual Fund	25,000	0.0160
Trust	0	0
FII	17,78,638	1.1388
Bodies Corporate	1,19,59,671	7.6576
Individual	2,07,06,767	13.2583
Clearing Member	3,59,229	0.2300
Director/relative	13,955	0.0089
Employee	2,671	0.0017
NRI	14,65,821	0.9385
Foreign National	3,00,000	0.1921
Foreign Company	24,47,495	1.5671
GRAND TOTAL	15,61,79,472	100.0000

l) Distribution of shareholding as on 31st March, 2017:

Number of Equity shares held	Total Holders	% of total holders	Total Holding in ₹	% of Total Capital
01 - 5000	9055	91.4000	63,78,348	2.0420
5001 - 10000	340	3.4319	25,83,750	0.8272
10001 - 20000	210	2.1197	32,44,722	1.088
20001 - 30000	86	0.8681	21,59,114	0.6912
30001 - 40000	43	0.4340	15,25,748	0.4885
40001 - 50000	23	0.2322	10,92,380	0.3497
50001 - 100000	55	0.5552	41,11,844	1.3164
100001-99999999	95	0.9589	29,12,63,038	93.2463
Total	9907		31,23,58,944	100.0000

m) Dematerialization of shares and liquidity:

Approximately 99.65% of the total number of shares are in dematerialized form as on 31st March, 2017. The Equity shares of the Company are traded on the BSE Limited and National Stock Exchange of India Limited.

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

No ADRs or GDRs, or any other convertible instruments were outstanding for conversion as on 31st March, 2017.

o) Address for investor correspondence:

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

BIGSHARE SERVICES PRIVATE LTD.

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

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

Arshiya Limited

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

Email: grv.redressal@arshiyalimited.com

Annexure A

CEO and CFO CERTIFICATION

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

- A. I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the auditors and the Audit committee
- 1) significant changes in internal control over financial reporting during the year;
 - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date: 26th August, 2017
Place: Mumbai

S MAHESHWARI
Group President & Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE**The Members of
Arshiya Limited**

We have examined the compliance of conditions of Corporate Governance by Arshiya Limited, for the year ended 31st March, 2017 as per regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2017, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Committee.

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

For Aabid & Co.,
Practicing Company Secretary

Mohammad Aabid
Partner
C. P. No.6625

Date: 26th August, 2017
Place: Mumbai

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying standalone financial statements of **ARSHIYA LIMITED ("the Company")** which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone 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 standalone financial statements.

Basis for Qualified Opinion:

We draw attention to the following:

1. In respect of non-provision of interest aggregating to ₹ 5,44,23,141/- on loans excluding loans assigned to Asset Reconstruction Company as referred to in Note no. 33.1
2. In respect of non-provision of interest of ₹ 20,29,08,631/- and dues written back of ₹ 55,87,68,625/- (including interest ₹ 37,57,68,625 upto the date of assignment) on loans assigned to Asset Reconstruction Company as referred to in Note no. 33.2
3. In respect of non-provision of interest of ₹ 6,18,60,443/- and interest written back of ₹ 17,19,59,475/- on loan from a Non-Banking Financial Company as referred to in Note no. 33.3

As stated above in items 1, 2, and 3, the records of the Company indicate that it has not provided for interest aggregating to ₹ 31,91,92,215/- and dues written back aggregating to ₹ 73,07,28,100/-. Had the Company provided for said interest of ₹ 31,91,92,215/- and had not written back said dues of ₹ 73,07,28,100/-:

- i. Finance cost would have been higher by ₹ 31,91,92,215/-
- ii. Exceptional items would have been higher by ₹ 73,07,28,100.-
- iii. Loss for the year, Deficit in the Statement of Profit and Loss and Other Current Liabilities would have been higher by ₹ 1,04,99,20,315/-.

4. In respect of non-compliance with the provisions of sub section 1 of Section 203 of the Act relating to delay in appointment of Chief Financial Officer as referred to in Note no. 52

Qualified Opinion:

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

1. The Company continues to be under severe financial stress as reflected by:
 - (a) Guarantees given on behalf of subsidiaries being invoked by the consortium banks (See Note no. 25)
 - (b) Dues to banks and others being recalled by lenders aggregating to ₹ 1,58,35,22,962/- (See note no. 11)
 - (c) Creditors for capital expenditure ₹ 20,57,76,385/- (See Note no. 11)
 - (d) Unpaid employee dues ₹ 2,71,65,792/- (See Note no. 11)
 - (e) Unpaid Statutory dues ₹ 11,33,47,839/- remaining unpaid (See Note no. 11)
2. Further to above, we draw attention to the following matters:
 - (a) Note no. 34 Re: Tax Deducted at Source.
 - (b) No provision for diminution in value of investments in/loans to subsidiaries having been made for the reasons as stated in Note nos. 36(a) and 47.
 - (c) Note no. 37.2 Re: Mark to Market Losses.
 - (d) Note no. 40 Re: Legal Proceedings against the Company.
 - (e) Note no. 53 Re: Intercompany Advances/Loans/Guarantees granted/received.
 - (f) Note no. 57 Re: Pending balance confirmations

Our Opinion is not modified in respect of these matters.

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

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016;
- (e) On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"**; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2017, 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 standalone financial statements - Refer to Note No. 24(i) to 24(iv) and 40 of notes to the standalone financial statements.
 - (ii) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term derivative contracts, except to the extent disputed and hence not provided for (Refer Note no. 37.2).
 - (iii) There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company (Refer Note no. 39).

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

Mukul Patel
Partner
Membership No. 032489

Place: Mumbai
Date: 18th May, 2017

Annexure – A to the Auditors' Report

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

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, discrepancies noticed on such verification have been accounted for.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of Freehold Land are held in the name of the Company.
- (ii) Considering the nature of the business, the Company is not required to purchase any inventory and hence, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted interest free unsecured loans to six parties covered in the register maintained under Section 189 of the Companies Act, 2013. According to the terms of arrangement the loans are receivable after one year but within five years, hence the question of repayment during the year does not arise. There are no overdue amounts exceeding rupees one lakh as of year-end with respect to such loans granted.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and guarantees made (Refer Note no.53)
- (v) The Company has not accepted any deposits from the public and hence clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company in respect of services rendered pursuant to rules made by Government of India with regard to the maintenance of cost records as prescribed under section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed basic cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) The Company is generally regular in depositing undisputed applicable statutory dues, *except, tax deducted at source of ₹ 6,18,38,711/- which is outstanding as of the year-end for a period of more than six months from their due dates of payment.*
- (b) There are no disputed dues in respect of wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any disputes. Details of disputed dues of Income Tax and Value Added Tax which have not been deposited are as under :

Name of the Statute	Nature of Dues	Amount Involved (Rs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1,90,95,525	Assessment Year 2008-2009 to 2010-2011	Income Tax Appellate Tribunal
		59,18,35,030	Assessment Year 2009-2010 to 2014-15	Commissioner of Income Tax
Value Added Tax	Maharashtra Value Added Tax	20,51,279	Financial Year 2005-06	Deputy Commissioner of Sales Tax-(Appeal)

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

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

Period of Default	Name of the Lenders	
	Tamilnad Mercantile Bank	Karur Vysya Bank
FY 2012-13	18,79,998	24,62,486
FY 2013-14	1,43,16,185	1,00,00,000
FY 2014-15	2,33,48,766	1,00,00,000
FY 2015-16	2,95,13,952	-
June-16	1,08,33,581	-
September-16	1,08,33,581	-
December-16	1,08,33,581	-
March-17	91,83,580	-
TOTAL	11,07,43,224	2,24,62,486

- **Default on account of non-payment of principal of working capital from a "Bank" as stated below:**

Period of Default	Kotak Mahindra Bank
FY 2014-15	39,96,91,418
TOTAL	39,96,91,418

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

Period of Default	Tata Capital*	SICOM	EARC Trust SC 162#
FY 2012-13	-	69,00,00,000	-
December-16	26,66,66,668	-	-
March-17	-	-	30,75,00,000
TOTAL	26,66,66,668	69,00,00,000	30,75,00,000

* Refer Note no. 33.3

Refer Note no. 33.2

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

Period of Default	Name of the Lenders		
	Tamilnad Mercantile Bank	Karur Vysya Bank	Kotak Mahindra Bank
FY 2012-13	4,43,26,514	40,70,998	-
FY 2014-15	1,70,75,149	25,30,484	2,47,19,638
FY 2015-16	4,07,96,706	37,22,027	6,84,73,713
April-16	38,13,760	3,50,316	60,76,662
May-16	39,82,994	3,65,861	63,56,632

June-16	38,97,068	3,57,969	62,29,949
July-16	40,69,999	3,73,853	65,16,981
August-16	41,14,936	3,77,980	66,00,006
September-16	40,26,164	3,69,826	64,68,473
October-16	42,04,823	3,86,237	67,66,495
November-16	41,14,112	3,77,905	66,31,643
December-16	42,96,672	3,94,674	69,37,184
January-17	43,44,113	3,99,032	70,25,561
February-17	39,67,038	3,64,395	64,26,510
March-17	44,35,877	4,07,461	71,96,937
TOTAL	15,14,65,925	1,48,49,018	17,24,26,384

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

Period of Default	Tata Capital*	SICOM
FY 2012-13	-	3,69,97,844
FY 2013-14	-	14,12,66,271
FY 2014-15	-	18,27,04,021
FY 2015-16	-	22,18,10,568
April-16	-	2,08,09,061
May-16	-	2,11,49,275
June-16	-	2,14,95,050
July-16	-	2,18,46,480
August-16	-	2,22,03,654
September-16	-	2,25,66,669
October-16	-	2,29,35,619
November-16	-	2,33,10,600
December-16	2,33,33,332	2,36,91,713
January-17	-	2,40,79,056
February-17	-	2,44,72,732
March-17	-	2,48,72,844
TOTAL	2,33,33,332	85,62,11,457

* Refer Note no. 33.3

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Thus, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided during the year for managerial remuneration. Thus, paragraph 3 (xi) of the Order is not applicable.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standard (Refer Note no. 46)
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Thus, paragraph 3(xiv) of the Order is not applicable
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company it is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Mukul Patel
 Partner
 Membership No. 032489

Place: Mumbai
 Date: 18th May, 2017

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

We have audited the internal financial controls over financial reporting of **ARSHIYA LIMITED ("the Company")** as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Mukul Patel
Partner
Membership No. 032489

Place: Mumbai
Date: 18th May, 2017

Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016
I. Equity and Liabilities			
1. Shareholders' funds			
(a) Share capital	3	312,358,944	312,358,944
(b) Reserves and surplus	4	936,833,698	1,990,344,592
		12,49,192,642	2,302,703,536
2. Debt convertible into Equity and Zero Percent Optionally Convertible Redeemable Preference Shares	5	12,620,000,000	-
3. Non-current liabilities			
(a) Long-term borrowings	6	5,812,849,090	1,972,905,985
(b) Other long-term liabilities	7	905,176,530	1,349,804,129
(c) Long-term provisions	8	13,235,744	8,802,192
		6,731,261,364	3,331,512,306
4. Current liabilities			
(a) Short-term borrowings	9	494,208,889	1,194,686,389
(b) Trade payables	10	2,139,797	711,505
(i) Total outstanding dues of micro enterprises and small enterprises			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		34,640,114	21,890,776
(c) Other current liabilities	11	4,960,529,428	15,363,899,328
(d) Short-term provisions	12	163,085,382	185,496,362
		5,654,603,610	16,766,684,360
Total		26,255,057,616	22,400,900,202
II. Assets			
1. Non-current assets			
(a) Fixed assets	13		
(i) Tangible assets		12,448,306,127	12,322,477,945
(ii) Intangible assets		43,195,358	58,856,703
		12,491,501,485	12,381,334,648
(b) Non-current investments	14	13,177,606,336	8,342,441,336
(c) Long-term loans and advances	15	342,456,797	1,307,755,123
		13,520,063,133	9,650,196,459
2. Current assets			
(a) Trade receivables	16	22,716,282	121,778,170
(b) Cash and cash equivalents	17	7,720,239	39,645,888
(c) Short-term loans and advances	15	213,056,477	207,945,037
		243,492,998	369,369,095
Total		26,255,057,616	22,400,900,202

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

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As per our report of even date

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

Mukul Patel
Partner
Membership Number: 032489

Place: Mumbai
Date: 18th May 2017

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Notes	Year Ended 31st March, 2017	Year Ended 31st March, 2016
I. Revenue			
1. Revenue from operations	18	758,102,153	642,833,494
2. Other income	19	2,107,607	4,874,047
Total Revenue		760,209,760	647,707,541
II. Expenses			
1. Cost of operations	20	31,622,392	40,052,581
2. Employee benefits expense	21	137,552,057	177,501,014
3. Finance costs	22	1,231,392,515	1,759,618,751
4. Depreciation and amortization expense	13	185,826,891	235,870,091
5. Other expenses	23	118,175,477	161,331,494
Total Expenses		1,704,569,332	2,374,373,931
III. Loss for the year before Exceptional items and Tax		(944,359,572)	(1,726,666,390)
IV. Exceptional items (Net)	29	107,394,560	1,028,123,576
V. Prior Period Adjustments	55	1,756,762	4,722,060
VI. Loss for the year before tax		(1,053,510,894)	(2,759,512,026)
VII. Tax expense			
Short provision for prior years		-	24,437,695
VIII. Loss for the year		(1,053,510,894)	(2,783,949,721)
Earnings per share Basic and Diluted	49	(6.75)	(19.62)

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

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As per our report of even date

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

Mukul Patel
Partner
Membership Number: 032489

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

S. Maheshwari
Chief Financial Officer

Place: Mumbai
Date: 18th May 2017

Savita Dalal
Company Secretary

Cash Flow Statement for the year ended 31st March, 2017 (Amount in ₹)

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Cash flow from operating activities		
Loss before tax	(1,053,510,894)	(2,759,512,026)
Adjustments for		
Loss on sale of assets (net)	-	33,806,521
Mark To Market (gain)/Losses	(23,339,585)	204,190,694
Bad Debts	-	2,231,329
Sundry Balances written back (net)	(2,847,514)	(69,647,097)
Corporate Debt Revival and Advisory Fees	230,000,000	10,000,000
Recovery of bad debts/expenses	(3,800,000)	(4,209,806)
Forfeiture of Capital Advance received	-	(920,492,975)
Fixed Assets/Other Assets written off	34,457,000	1,748,056,510
Excess Provision written back	(3,531,000)	(2,484,145)
Excess Remuneration to Whole Time Director recovered	(8,352,000)	-
Irrecoverable Advance written off	13,954,082	26,672,545
Provision for doubtful debt written back	(505,129)	-
Compensation on shares invoked by lender	65,930,099	-
Reconciliation of loan account with EARC (net)	171,260,604	-
Settlement of claims	(724,849,500)	-
Loss on sale of subsidiaries	227,281,000	-
Provision for doubtful Advances	139,500,000	-
Provision for Interest on statutory dues written back	(8,268,626)	-
Depreciation and amortization expense	185,826,891	235,870,091
Interest expense	1,231,392,515	1,759,618,751
Interest income	(98,638)	(1,377,460)
Foreign Exchange loss/(gain) (net)	384,970	(866,908)
Operating profit before working capital changes	470,884,275	261,856,024
Adjustments for		
Decrease/(Increase) in trade and other receivables	98,352,268	(68,319,680)
(Decrease)/Increase in trade and other payables	(376,386,507)	604,745,938
Cash generated from operations	192,850,036	798,282,282
Direct taxes paid (net of refunds)	(9,958,867)	18,337,587
Net cash flow from operating activities (A)	182,891,169	816,619,869
Cash flow from investing activities		
Purchase of fixed assets	(39,108,902)	(1,153,182)
Sale of fixed assets	-	59,565,306
Refund of Advance to a subsidiary	-	(1,013,576)
Capital Advance	(5,343,041)	(293,193,868)
Investment purchased	(1,885,000)	-
Sale of Investment	400,000	-
Interest Income	98,638	1,377,460
Net cash flow used in investing activities (B)	(45,838,305)	(234,417,860)
Cash flow from financing activities		
Issue of Equity shares (including Security Premium)	-	419,750,000
Repayment of long-term borrowings (Net)	(39,025,129)	(755,011,100)
Short-term borrowings (Net)	(14,907,599)	17,331,077
Loans given to subsidiaries	(202,107,335)	(181,774,562)
Dividend paid/Unpaid Dividend transfer to IEPF A/c	-	(1,185,507)
Interest paid	87,061,550	(63,510,291)
Net cash flow from financing activities (C)	(168,978,513)	(564,400,383)
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(31,925,649)	17,801,626
Cash and cash equivalents at the beginning of the year	39,092,827	20,087,582
Earmarked balances with banks*	553,061	1,756,680
Cash and cash equivalents at the end of the year	7,720,239	39,645,888
Cash and cash equivalents at the end of the year	7,715,875	39,092,827
Earmarked balances with banks*	4,364	553,061
Cash and cash equivalents at the end of the year	7,720,239	39,645,888

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

As per our report of even date

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

Mukul Patel
Partner
Membership Number: 032489

Place: Mumbai
Date: 18th May 2017

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

1 Corporate Information

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

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

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

2 Significant Accounting Policies

(i) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and accrual basis of accounting and in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") and are in conformity with mandatory accounting standards issued by Institute of Chartered Accountants of India, as prescribed under the Section 133 of Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016 and the relevant provisions of the Act (to the extent notified).

(ii) Use of estimates

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

(iii) Property, Plant and Equipment (Fixed Assets) and Intangible Assets

(A) Tangible Assets

- (a) Fixed assets excluding Land are stated at original cost of acquisition/installation (net of cenvat credit availed) less accumulated depreciation and impairment losses, if any. All costs including financing costs till commencement of commercial operations are capitalized.
- (b) Land is carried at its revalued amount being the estimated market value on the date of revaluation.

(B) Capital work-in-progress

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

(C) Intangible Assets

- (a) Intangible assets are carried at cost less accumulated amortization and impairment losses, if any.
- (b) 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

(D) Depreciation and Amortization

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(b) Intangible Assets

- 1 Amortisation of intangible assets other than (2) and (3) below, is provided on a straight-line basis over a period of three to six years from the date of its implementation based on management's estimate of useful life over which economic benefits will be derived from its use.
- 2 Cost of Enterprise Resource Planning (ERP) software including expenditure on implementation is to be amortised over a period of ten years based on management's estimate of useful life over which economic benefits will be derived from its use
- 3 Trademarks are amortized over the period of ten years.
- 4 Leasehold improvements are amortized over the period of lease.

(iv) Borrowing costs

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

(v) Leases

(a) Finance lease

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

(b) Operating lease

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

(vi) Investments

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

(vii) 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 recognised 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.
- (d) Export benefits under Foreign Trade Policy are recognised when utilized.

(viii) Employee benefits

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

(a) Defined Contribution Plan

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

(b) Defined Benefit Plan

The Liability for Leave Encashment and Gratuity is determined on actuarial basis as per the Accounting Standard -15 "Employee Benefits" (AS-15) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016.

(ix) Foreign currency transactions

- (a) Transactions in foreign currencies are initially recognised at the prevailing exchange rates on the date of the transaction. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.
- (b) Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange difference is recognised in the Statement of Profit and Loss.
- (c) In respect of derivative contracts assigned to foreign currency monetary assets and liabilities, the difference due to change in exchange rate between the inception of derivative contracts and date of Balance Sheet and the proportionate premium/discount for the period upto the date of Balance Sheet is recognised in the Statement of Profit and Loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(x) Accounting for taxes on income

- (a) Provision for Current Tax is made, based on the tax payable under the Income-tax Act, 1961.
- (b) Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and are measured using relevant enacted tax rates. Deferred Tax assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.
- (c) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

(xi) Impairment of tangible and intangible assets

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard - 28 "Impairment of Assets" (AS-28) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016.

(xii) Employee stock options

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

(xiii) Provisions, Contingent Liabilities and Contingent Assets

- (a) A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year-end date.
- (b) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- (c) Contingent Assets are not recognised or disclosed in the financial statements.

(xiv) Earnings per Share

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

(xv) Cash Flow Statement

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(Amount in ₹)	
	As at 31st March, 2017	As at 31st March, 2016
3. Share Capital		
Authorised		
21,00,00,000 (P.Y.:21,00,00,000) equity shares of ₹2/- each	420,000,000	420,000,000
Issued, Subscribed and Fully Paid		
15,61,79,472 (P.Y.:15,61,79,472) equity shares of ₹2/- each, fully paid up	312,358,944	312,358,944
Total	312,358,944	312,358,944

(a) Terms and rights attached to equity shares

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

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

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares	Amount (in ₹)	Number of Shares	Amount (in ₹)
Balance as at the beginning of the year	156,179,472	312,358,944	127,429,472	254,858,944
Issued during the year	-	-	28,750,000	57,500,000
Balance as at the end of the year	156,179,472	312,358,944	156,179,472	312,358,944

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

Name of the shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Number of equity shares	Percentage (%) shareholding	Number of equity shares	Percentage (%) shareholding
Archana A Mittal	98,559,288	63.11%	98,559,288	63.11%
Ajay S Mittal	18,560,937	11.88%	18,560,937	11.88%

(d) During the previous year the Company had allotted to the Promoter Directors 2,87,50,000 equity shares of ₹2/- each at a premium of ₹12.60 per share on preferential basis pursuant to the CDR package and in terms of special resolution passed on 12th May, 2014 as per applicable provisions of Companies Act, 1956/Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulation.

Particulars	(Amount in ₹)	
	As at 31st March, 2017	As at 31st March, 2016
4. Reserves and Surplus		
Securities Premium		
Balance as at the beginning of the year	7,984,468,084	7,622,218,084
Add: On issue of Equity Shares	-	362,250,000
Balance as at the end of the year	7,984,468,084	7,984,468,084
Amalgamation Reserve *		
Balance as at the beginning and end of the year	12,480,000	12,480,000
Revaluation Reserve		
Balance as at the beginning of the year	2,261,711,679	2,296,556,239
Less: Adjustment on account of land sold during the year	-	34,844,560
Balance as at the end of the year	2,261,711,679	2,261,711,679
General Reserve		
Balance as at the beginning and end of the year	94,017,534	94,017,534
Deficit in the Statement of Profit and Loss		
Balance as at the beginning of the year	(8,362,332,705)	(5,578,382,984)
Add: (Loss) for the year	(1,053,510,894)	(2,783,949,721)
Balance as at the end of the year	(9,415,843,599)	(8,362,332,705)
Total	936,833,698	1,990,344,592

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

Particulars	(Amount in ₹)	
	As at 31st March, 2017	As at 31st March, 2016
5. Debt convertible into Equity and Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS) (Refer Note No.32)	12,620,000,000	-
Total	12,620,000,000	-

Particulars	Non-current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
6. Long-term borrowings				
Secured Loans				
Term loans from: (Refer Note No. 32 and 33)				
- Banks (Refer Note (a) below)	107,252,965	304,810,240	169,940,033	5,252,706,815
- Others (Refer Note (b) below)	5,705,596,125	1,667,858,077	2,732,108,187	3,967,095,380
Vehicle loan from bank	-	237,668	237,668	374,145
Unsecured Loan				
- from Other	-	-	-	12,088,372
	5,812,849,090	1,972,905,985	2,902,285,888	9,232,264,712
Less: Amount disclosed under the head "other current liabilities" (Refer Note No. 11)	-	-	(2,902,285,888)	(9,232,264,712)
Total	5,812,849,090	1,972,905,985	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(a) Term loans from Banks

(i) Securities provided

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

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

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

(iv) Rate of Interest is @ 13% p.a.

(b) Term loans from Others

(i) Loan of ₹7,17,35,37,644/-:

(1) Securities provided

- First charge on all the present and future movable and immovable fixed assets including intangible assets, assignment of rights and benefits but excluding project assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project.
- Second charge on Current Assets of the Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project.
- first pari passu charge by way of hypothecation on the Panvel Receivables both existing and future of whatsoever nature.

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

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

(4) Rate of Interest is @ 10% p.a.

(ii) Loan of 30,75,00,000/- (Refer Note No. 33.2):

(1) Securities provided

- Second charge by way of equitable mortgage/hypothecation on the entire immovable and movable fixed assets of the Company on pari-passu basis.
- Personal guarantees of two Promoters Directors of the Company.

(2) Rate of Interest on said loan is @ 14.10% p.a.

© Repayment Schedule of Secured Loans is as follows:-

Year	(Amount in ₹)		
	Banks	Others	Total
FY 2012-13	4,342,484	690,000,000	694,342,484
FY 2013-14	24,316,185	-	24,316,185
FY 2014-15	33,348,766	-	33,348,766
FY 2015-16	29,513,952	-	29,513,952
FY 2016-17	41,684,323	84,166,668	125,850,991
FY 2017-18	36,971,991	1,957,941,519	1,994,913,510
FY 2018-19	36,734,323	62,500,000	99,234,323
FY 2019-20	38,292,718	100,000,000	138,292,718
FY 2020-21	32,225,924	102,500,000	134,725,924
FY 2021-22	-	1,400,146,285	1,400,146,285
FY 2022-23	-	4,040,449,840	4,040,449,840
Total	277,430,666	8,437,704,312	8,715,134,978

(d) Details of continuing default in repayment of principal amount of secured loans as on 31st March, 2017 are as follows:

Year	Banks	Others	Total
FY 2012-13	4,342,484	690,000,000	694,342,484
FY 2013-14	24,316,185	-	24,316,185
FY 2014-15	33,348,766	-	33,348,766
FY 2015-16	29,513,952	-	29,513,952
Jun-16	10,833,581	-	10,833,581
Sep-16	10,833,581	-	10,833,581
Dec-16	10,833,581	266,666,668	277,500,249
Mar-17	9,183,580	307,500,000	316,683,580
Total	133,205,710	1,264,166,668	1,397,372,378

Particulars	(Amount in ₹)	
	As at 31st March, 2017	As at 31st March, 2016
7. Other long-term liabilities		
Security Deposits from Unit Holders		
- a Subsidiary	578,850,000	907,000,000
- Others	60,347,301	57,804,130
Settlement on Account of Derivative Contracts (Refer Note No. 37.1(ii))	265,979,229	384,999,999
Total	905,176,530	1,349,804,129
8. Long-term provisions		
Employee benefits		
Provision for Gratuity (Refer Note No. 44(b))	8,463,676	5,451,961
Provision for Leave Encashment (Refer Note No. 44(c))	4,772,068	3,350,231
Total	13,235,744	8,802,192
9. Short-term borrowings		
Secured loans		
- Short term loan from others (Refer Note No. 33.2)	-	493,500,000
- Working capital facility (Cash Credit) from banks (Refer Note (A) and (D) below) - Recalled	399,691,418	599,691,418
Unsecured loans		
- from Promoter Directors (Refer Note (B) below)	6,817,471	32,794,971
- from Inter Corporate Deposit (Refer Note (C) below)	87,700,000	68,700,000
Total	494,208,889	1,194,686,389

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(A) Working capital facility (Cash Credit) from bank:

(i) Securities provided :

- First charge on entire Current Assets of the Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail Project.

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

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

(iii) Further the loan is secured by shares pledged by the Promoter Directors.

(iv) Rate of interest on working capital is @ 13% p.a.

(v) ₹20,00,00,000/- out of ₹59,96,91,418/- has been restructured into Term loan (Refer Note No. 32).

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

(C) Unsecured Loan from Inter Corporate Deposits:

(i) Intercompany Deposit of ₹77,00,00,000/- is interest free and repayable on demand.

(ii) Intercompany Deposit of ₹8,00,00,000/- interest @ 20% p.a. and repayable in 90 days.

(D) Continuing default in repayment of short-term borrowings as at 31st March, 2017 is ₹39,96,91,418 since FY 2014-15.

Particulars	(Amount in ₹)	
	As at 31st March, 2017	As at 31st March, 2016
10. Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 27)	2,139,797	711,505
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No. 40)	34,640,114	21,890,776
Total	36,779,911	22,602,281
11. Other Current liabilities		
Current maturities of long-term borrowings - Banks (Refer Note No. 6)*	169,940,033	5,252,706,815
Current maturities of long-term borrowings - Others (Refer Note No. 6,11.1,11.2 and 33.3)*	2,732,108,187	3,979,183,752
Current maturities of Vehicle Loan (Refer Note No. 6 and 11.3)	237,668	374,145
Interest accrued and due on Borrowings #	1,253,803,558	5,598,347,040
Unclaimed dividend	4,364	4,364
Employees Dues (including full and final settlement dues of ₹2,71,65,792/- (P.Y. ₹2,96,78,512/-)	57,728,041	46,991,205
Statutory dues (Refer Note No. 34)	113,347,839	89,696,526
Trade advances received	4,630,166	43,347
Interest on Delayed payment of Statutory Dues (Refer Note No. 34)	47,142,242	41,750,072
Interest due on MSME Vendors (Refer Note No. 27)	75,450	-
Creditors for: (Refer Note No. 40)		
- Capital expenditure	205,776,385	227,333,186
- Expenses	375,735,496	127,468,876
Total	4,960,529,428	15,363,899,328

* includes loans recalled aggregating to ₹2,24,62,486/- from a Bank and ₹69,00,00,000/- from other.

includes interest on loans recalled aggregating to ₹1,48,49,019/- from a Bank and ₹85,62,11,457/- from other.

11.1. ₹69,00,00,000/- (P.Y.: ₹69,00,00,000/-) is secured by first charge on land belonging to company situated at Village Butibori at Nagpur, Maharashtra. The above loan carries interest @ 15.25% p.a. and penal interest of 4% p.a. Out of the above, ₹39,00,00,000/- was repayable in a single installment at the end of 3 years from the date of disbursement i.e. October 13, 2011 or on exercise of put/call option after 1 year from the date of disbursement and balance ₹30,00,00,000/- in single installment at the end of 3 years from the date of disbursement i.e. January 02, 2012 or on exercise of put/call option after 1 year from the date of disbursement. During a earlier year, as per the terms of sanction letter the lender had exercised call option and recalled the above loan and the said loan is overdue since 13 March, 2013.

11.2. ₹26,66,66,668/- (P.Y.: ₹26,66,66,668/-) is secured by first and exclusive charge by way of mortgage of the Company's land situated at Khurja near Delhi. The above loan carries interest of 15% p.a. plus penal interest of 2% p.a. As per the Consent Terms dated 27th September, 2016. The loan is repayable on or before 15th December, 2017.

11.3 Vehicle loan is secured by way of hypothecation of vehicle. Rate of interest is @ 10.85% p.a.

11.4 Details of continuing default in payment of interest on secured loans as on 31st March, 2017 are as follows:

Year	(Amount in ₹)		
	Banks	Others	Total
FY 2012-13	48,397,512	36,997,844	85,395,356
FY 2013-14	-	141,266,271	141,266,271
FY 2014-15	44,325,271	182,704,021	227,029,292
FY 2015-16	112,992,446	221,810,568	334,803,014
Apr-16	10,240,738	20,809,061	31,049,799
May-16	10,705,487	21,149,275	31,854,762
Jun-16	10,484,986	21,495,050	31,980,036
Jul-16	10,960,833	21,846,480	32,807,313
Aug-16	11,092,922	22,203,654	33,296,576
Sep-16	10,864,463	22,566,669	33,431,132
Oct-16	11,357,555	22,935,619	34,293,174
Nov-16	11,123,660	23,310,600	34,434,260
Dec-16	11,628,530	47,025,045	58,653,575
Jan-17	11,768,706	24,079,056	35,847,762
Feb-17	10,757,943	24,472,732	35,230,675
Mar-17	12,040,275	24,872,844	36,913,119
Total	338,741,327	879,544,789	1,218,286,116

Particulars	(Amount in ₹)	
	As at 31st March, 2017	As at 31st March, 2016
12. Short-term provisions		
Employee benefits (Leave encashment) (Refer Note No. 44(c))	891,674	648,070
Mark to Market on derivative contracts	162,193,708	184,848,292
Total	163,085,382	185,496,362

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. Fixed Assets		Gross Block				Depreciation / Amortization			Net Block	
		As at April 1, 2016	Additions	Adjustments /Deductions	As at Mar 31, 2017	As at April 1, 2016	For the Year ended	Adjustments /Deductions	As at Mar 31, 2017	As at March 31, 2016
(a)	Description of assets									
1	Freehold Land*	7,417,272,257	326,651,766	-	7,743,924,023	-	-	-	7,743,924,023	7,417,272,257
2	Buildings	4,555,791,328	-	-	4,555,791,328	72,240,372	-	-	4,202,398,949	4,274,639,321
3	Leasehold Improvements	78,713,522	-	-	78,713,522	1,823,268	-	-	1,513,256	3,336,524
4	Plant and Machinery	520,568,697	-	44,410,800	476,157,897	32,830,348	9,953,800	-	309,032,360	376,319,708
5	Computers	80,131,792	78,500	-	80,210,292	2,326,594	-	-	4,679,419	6,927,513
6	Equipments	409,189,908	3,537,566	-	412,727,474	45,208,306	-	-	123,938,879	165,609,619
7	Vehicles #	13,947,113	-	-	13,947,113	1,639,541	-	-	10,690,214	4,896,440
8	Furniture and Fixtures	131,731,521	182,896	-	131,914,417	14,097,117	-	-	59,562,342	73,476,563
	Total (a)	13,207,346,138	330,450,728	44,410,800	13,493,386,066	170,165,546	9,953,800	1,045,079,939	12,448,306,127	12,322,477,945
	Previous Year	10,668,110,631	2,673,797,209	134,561,702	13,207,346,138	199,300,105	6,440,495	884,868,193	12,322,477,945	-
(b)	Description of assets									
1	Intangibles	306,724,178	-	-	306,724,178	15,641,036	-	-	43,166,647	58,807,683
2	Trade Marks	233,700	-	-	233,700	20,309	-	-	28,711	49,020
	Total (b)	306,957,878	-	-	306,957,878	15,661,345	-	263,762,520	43,195,358	58,856,703
	Previous Year	308,861,490	-	1,903,612	306,957,878	36,569,986	1,808,432	248,101,175	58,856,703	-
	Total (a+b)	13,514,304,016	330,450,728	44,410,800	13,800,343,944	185,826,891	9,953,800	1,308,842,459	12,491,501,485	12,381,334,648
	Previous Year Total	10,976,972,121	2,673,797,209	136,465,314	13,514,304,016	235,870,091	8,248,927	1,132,969,368	12,381,334,648	-

Notes:

*a. Freehold Land: includes of ₹ 97,35,11,038/- (₹ 97,35,11,038/-) situated at Nagpur, which is under possession of a lender as per the Order of Hon'ble High Court of Bombay dated 9th May, 2013.

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

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

d. Refer Note No. 35 relating to Component Accounting.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(Amount in ₹)	
	As at 31st March, 2017	As at 31st March, 2016
14. Non-current investments valued at cost (Refer Note No. 36)		
In Subsidiary companies - (Trade - unquoted)		
Nil (P.Y.3,00,000) Equity shares of Arshiya Hong Kong Limited of the face value of USD 1/- each #	-	53,250,000
Nil (P.Y.25,00,000) Equity shares of Cyberlog Technologies International Pte. Limited of the face value of SGD 0.10 each #	-	60,500,000
Nil (P.Y.1,00,000) Equity shares of Arshiya International Singapore Pte. Limited of the face value of SGD 1/- each #	-	3,431,000
33,08,333 (P.Y.33,08,333) Equity shares of Arshiya Supply Chain Management Private Limited of the face value of ₹ 10/- each.	-	425,999,920
1,72,37,152 (P.Y.1,35,86,659) Equity shares of Arshiya Industrial & Distribution Hub Limited of the face value of ₹ 10/- each * @	4,449,972,066	2,205,615,066
Nil (P.Y.1,10,50,000) Equity shares of Arshiya Central FTWZ Limited of the face value of ₹ 10/- each @ #	-	110,500,000
4,23,84,417 (P.Y.3,87,32,491) Equity shares of Arshiya Rail Infrastructure Limited of the face value of ₹ 10/- each @	-	3,836,920,560
1,08,68,677 (P.Y.95,50,626) Equity shares of Arshiya Northern FTWZ Limited of the face value of ₹ 10/- each * @	-	4,462,528,790
50,000 (P.Y.50,000) Equity shares of Arshiya Transport And Handling Limited of the face value of ₹ 10/- each	-	500,000
1,01,158 (P.Y.10,000) Equity shares of Arshiya Technologies (India) Private Limited of the face value of ₹ 10/- each	200,000	100,000
14,85,000 (P.Y.Nil) Equity shares of Arshiya Lifestyle Limited of the face value of ₹ 10/- each	1,485,000	-
Total	13,177,606,336	8,345,972,336
Less:		
Provision for diminution in the value of Investments	-	3,531,000
	13,177,606,336	8,342,441,336
(All the above equity shares are fully paid up)		
Aggregate book value of unquoted Investments	13,177,606,336	8,345,972,336
Provision for diminution in the value of Investments	-	3,531,000
@ Includes i) 79,46,024 (P.Y.79,46,024) equity shares in Arshiya Northern FTWZ Limited, ii) 1,35,86,059 (P.Y.1,35,86,059) equity shares in Arshiya Industrial & Distribution Hub Limited, iii) 3,87,31,891 (P.Y. 3,87,31,891) equity shares in Arshiya Rail Infrastructure Limited and iv) Nil (P.Y.1,10,49,400) equity shares in Arshiya Central FTWZ Limited which are pledged with lenders for loans granted to subsidiaries.		
# denotes disposed off during the year (Refer Note No. 36(b)).		

Particulars	(Amount in ₹)			
	Non-current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
15. Loans and advances (Unsecured)				
Capital advances				
- Considered Good	241,000	439,693,868	-	-
- Considered Doubtful	139,500,000	-	-	-
	139,741,000	439,693,868	-	-
Less: Provision for doubtful advance	139,500,000	-	-	-
	241,000	439,693,868	-	-
Security Deposits	6,397,738	6,879,400	-	-
Loan and Advances to Subsidiaries (Refer Note No. 47)	194,104,390	729,427,054	-	-
Others				
Advances to Vendors	-	-	5,323,886	5,266,982
Tax Deducted at Source (Refer Note No. 34)	141,713,669	131,754,801	-	-
Indirect tax refund receivable (Refer Note No. 42)	-	-	195,025,952	193,898,520
Prepaid expenses	-	-	2,330,013	2,613,006
Other Advances (Refer Note No. 38)	-	-	10,376,626	6,166,529
	141,713,669	131,754,801	213,056,477	207,945,037
Total	342,456,797	1,307,755,123	213,056,477	207,945,037

Particulars	(Amount in ₹)	
	As at 31st March, 2017	As at 31st March, 2016
16. Trade receivables		
Debts outstanding for a period exceeding six months		
Considered Good	6,453,585	3,942,952
Considered Doubtful	2,994,871	3,500,000
	9,448,456	7,442,952
Less: Provision for doubtful debts	2,994,871	3,500,000
	6,453,585	3,942,952
Other debts	16,262,697	117,835,218
Total	22,716,282	121,778,170

Particulars	(Amount in ₹)	
	As at 31st March, 2017	As at 31st March, 2016
17. Cash and cash equivalents		
Balances with banks	5,836,172	38,881,335
Cash on hand (Refer Note No. 39)	1,879,703	211,492
	7,715,875	39,092,827
Other bank balances		
Margin money deposit (pledged against bank guarantee)	-	548,697
Balance with bank relating to unpaid dividend	4,364	4,364
	4,364	553,061
Total	7,720,239	39,645,888

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	(Amount in ₹)	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
18. Revenue from operations		
Revenue from Sale of Services:		
- Free Trade and Warehousing Zone operations	758,102,153	642,833,494
Total	758,102,153	642,833,494
19. Other income		
Interest Income		
- Fixed Deposit	98,638	1,377,460
- Others	1,503,840	1,462,186
Foreign Exchange Gain (Net)	-	866,908
Provision for doubtful debt written back	505,129	-
Miscellaneous Income	-	1,167,493
Total	2,107,607	4,874,047
20. Cost of operations		
Free Trade and Warehousing Zone operations	31,622,392	40,052,581
Total	31,622,392	40,052,581
21. Employee benefits expense		
Salary, bonus and other allowances	130,928,327	169,703,835
Contribution to provident and other funds	3,485,235	4,755,103
Staff welfare expenses	3,138,495	3,042,076
Total	137,552,057	177,501,014
22. Finance costs		
Interest expense:		
- on Borrowings (Refer Note No. 33)	1,208,823,667	1,738,642,500
- on Statutory Dues	19,693,141	16,916,797
- on MSMED Vendors	75,450	-
Other borrowing costs	2,800,257	4,059,454
Total	1,231,392,515	1,759,618,751
23. Other expenses		
Electricity charges	17,911,799	19,151,982
Rent	6,095,257	18,720,000
Repairs and maintenance:		
- Building	5,552,582	10,917,884
- Plant and Machinery	5,636,184	11,158,865
- Others	3,890,112	2,428,608
Insurance	974,620	1,688,140
Rates and taxes	398,715	845,739
Communication expenses	2,612,746	3,469,931
Travelling and conveyance expenses	11,626,347	19,377,726
Vehicle expenses	3,779,412	7,279,187
Printing and stationery	1,998,775	3,576,537
Legal and professional fees	14,095,356	18,723,513
Security charges	21,208,012	18,969,677
Auditor's remuneration:		
- Audit Fees	6,450,000	4,100,000
- Other Services	-	1,100,000
- Certification fees	8,000	18,500
- Reimbursement of expenses	25,991	55,000
Advertisement and Business Promotion expenses	5,126,562	6,074,834
Provision for Doubtful debts	-	3,500,000
Foreign Exchange Loss (Net)	384,970	-
Miscellaneous expenses	10,400,037	10,175,371
Total	118,175,477	161,331,494

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24 Contingent Liabilities not provided for in respect of:

(Amount in ₹)

Sr. No.	Particulars	31st March, 2017	31st March, 2016
(i)	Disputed Income Tax demands	610,930,555	33,128,826
(ii)	Disputed Sales Tax demands	2,051,279	2,051,279
(iii)	Disputed Local Body Tax demands	16,033,355	16,033,355
(iv)	Claims against the Company not acknowledged as debts	464,262,358	378,095,028
	Guarantees given on behalf of subsidiaries towards loans availed by them. The Outstanding balances of such loans against such guarantees aggregating to ₹ 14,16,21,14,867/- (P.Y. ₹ 14,58,09,61,506/-)	15,443,943,237	17,499,719,332
(vi)	Bank Guarantee / Custodian cum Carrier Bond	1,000,500,000	500,000

25 Corporate Guarantee

(i) With respect to two subsidiaries, the Lead Bank (Bank), on behalf of certain Consortium Banks of those subsidiaries, has initiated debt recovery action under Section 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) vide notice dated 14th October, 2015 aggregating to ₹ 3,22,23,46,819/- (being dues from Arshiya Northern FTWZ Limited) (reduced to ₹ 1,74,50,62,772/- after the Restructuring Agreement (RA) is signed with Edelweiss Asset Restructure Company Limited (EARC) on 31st March, 2017) and notice dated 19th October, 2015 aggregating to ₹ 5,86,57,51,992/- (being dues from Arshiya Industrial & Distribution Hub Limited) (reduced to ₹ 2,93,69,94,758/- after the RA is signed with EARC on 31st March, 2017) (the Subsidiaries of the Company). The Bank has also invoked the Corporate Guarantee issued by the Promoter Company, Arshiya Limited and personal guarantees of Promoter Directors i.e. Mr. Ajay S Mittal and Mrs. Archana A Mittal. Further on 19th January, 2016 the Company received a Notice of possession from the Authorized Officer of the Bank under power conferred on the Bank u/s 13(4) of the said Act read with Rule 8(i) of the Rules.

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

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

(a) at this juncture there is no obligation which is expected to result in an outflow of the resources from the Company and hence not provided for

(b) Disclosure of the Corporate Guarantees issued by the Company to the Consortium Banks on behalf of its subsidiaries under the head Contingent Liabilities not provided for in respect of Guarantees given, is adequate.

26 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital and other accounts and not provided for (net of advances paid) are ₹ Nil/- (P.Y. ₹ 14,93,03,552/-).

27 Details of dues to Micro, Small And Medium Enterprises as per MSME Act, 2006

(Amount in ₹)

Sr. No.	Description	As at 31st March 2017	As at 31st March 2016
a)	Principal amount due and remaining unpaid	2,139,797	711,505
b)	Interest due on above	75,450	-
c)	Payment made beyond the appointed day during the year	-	-
d)	Interest paid	-	-
e)	Interest due and payable for the period of delay	-	-
f)	Interest accrued and remaining unpaid	75,450	-
g)	Amount of further interest remaining due and payable in succeeding years	-	-

Note: Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company and relied upon by the Auditors.

28 In the opinion of the Management, Current Assets, Loans and Advances and Current Liabilities are approximately of the value stated, if realized/paid in the ordinary course of business. The provisions for depreciation and for all known liabilities are adequate and are not in excess of the amounts considered reasonably necessary.

29 Details of Exceptional items are as under:

(Amount in ₹)

Sr. No.	Particulars	Year Ended 31st Mar 2017	Year Ended 31st Mar 2016
a)	Bad debts written off	-	2,231,329
b)	Loss on sale of assets	-	33,806,521
c)	Mark to Market (gain)/losses (Refer Note No. 37)	(23,339,585)	204,190,694
d)	Excess provision written back	(3,531,000)	(2,484,145)
e)	Recovery of excess remuneration from Whole Time Director (Refer Note No. 38 (ii))	(8,352,000)	-
f)	Recovery of bad debts/expenses	(3,800,000)	(4,209,806)
g)	Fixed assets/other assets written off	34,457,000	1,748,056,510
h)	Corporate debt revival and advisory fees	230,000,000	10,000,000
i)	Irrecoverable advance written off	13,954,082	26,672,545
j)	Provision for interest on statutory dues written back	(8,268,626)	-
k)	Sundry balance written back (net)	(2,847,514)	(69,647,097)
l)	Forfeiture of capital advance received	-	(920,492,975)
m)	Reconciliation of loan account with EARC (net)	171,260,604	-
n)	Settlement of claims (Refer Note No. 33.2 and 33.3)	(724,849,500)	-
o)	Compensation for shares invoked by lender (Refer Note No. 50)	65,930,099	-
p)	Loss on sale of subsidiaries	227,281,000	-
q)	Provision for doubtful advance	139,500,000	-
	Exceptional items (net)	107,394,560	1,028,123,576

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30 Preparation of financial statements on "Going Concern" basis

The financial statements of the Company have been prepared on a "Going Concern" basis in view of the Revival plans referred to in Note No. 31.

31 Revival Plans

The Management of the Company is restructuring its business operations as also those of its subsidiaries in which it has substantial investments, by –

- monetization of assets so as to reduce debt and meet pressing creditors requirement,
- considering GST implementation, e-commerce business, increasing private freight terminal operations and the plan of the company to enter into domestic warehousing, substantial business growth is envisaged over the years.
- expanding the business volumes by changing product mix,
- entering into long term business agreements with various leading global shipping lines,
- further improvement of the Inland Container Depot (ICD) operations at Khurja,
- obtaining clarity and resolution of the regulatory issues.

The above steps shall enable the Company's ability to generate cash flows to discharge the debts/liabilities in future.

32 Secured Lenders:

32.1 Re-structuring of loans assigned by Lenders to Edelweiss Asset Reconstruction Company Limited (EARC)(Lender on behalf of the various EARC Trusts), which was approved by the Board of Directors at their meeting held on 30th March, 2017:

Various Lenders of the Company, comprising of 9 banks have assigned their term loans and working capital loan (loans) to EARC (as trustee of EARC Trusts). Post assignment of loans, EARC has become a secured lender of the Company and right, title and interest of the lenders have vested into EARC. As per the restructuring package approved by the EARC, loans so assigned as on 31st March 2017, have been restructured.

Pursuant to the assignment of such loans, and in terms of the restructuring package approved by EARC for the loans so assigned, the Company has executed Restructuring Agreement (RA) with EARC, on behalf of EARC Trusts on 31st March 2017. Under the Agreement, the loans assigned to EARC aggregating to ₹15,50,00,00,000/-:

- (i) Stand restructured, merged and converted into Restructured Loans aggregating to ₹ 7,20,00,00,000/- and
- (ii) the balance debt of ₹ 8,30,00,00,000/-, includes loan to be converted into Equity and Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS). Accordingly the Company shall issue to EARC, upto 3,21,62,304 equity shares. After adjustment of the amount to the extent of equity, the Company shall issue 64,23,329 Zero Percent OCRPS - Series I of face value of ₹10/- each at a price of ₹1,000/- each (which includes premium of ₹ 990/-) to EARC after due process/applicable statutory compliances towards issue of shares.

The above stated OCRPS shall carry a right of conversion into equity shares of the Company. On conversion, the entire amount of OCRPS shall be adjusted against the allotment of upto 1,54,85,554 equity shares of the Company to EARC.

The current outstanding of above restructured loan as on 31st March, 2017 is ₹ 7,17,35,37,644/-.

32.2 Some of the Secured Lenders of the Wholly Owned Subsidiaries viz. Arshiya Rail Infrastructure Limited (ARIL), Arshiya Northern FTWZ Limited (ANFL) and Arshiya Industrial & Distribution Hub Limited (AIDHL) have also assigned their loan to EARC (Acting as trustee of EARC Trusts) and EARC has approved the restructuring package and executed the Restructuring Agreement on the terms and conditions inter alia including allotment of OCRPS of the Company:

With respect to the restructuring package of the subsidiaries approved by EARC, loans to extent of ₹ 4,32,00,00,000/- have been restructured by allotment of 43,20,000 Zero Percent OCRPS (Series II /Series III/ Series IV) of face value of ₹10/- each at a price of ₹1,000/- each (which includes premium of ₹ 990/-).

The above stated OCRPS shall carry a right of conversion into equity shares of the company at the option of EARC. On conversion, the entire amount of OCRPS shall be adjusted against the allotment of upto 1,19,11,962 equity shares of the Company to the EARC.

32.3 Since the RA is binding on both parties, the amounts representing the share capital portion of "Equity shares" and "Zero Percent OCRPS" and premium amounts as referred to in 32.1 and 32.2 aggregating to ₹12,62,00,00,000/- have been presented as "Debt Convertible into Equity Shares and Zero Percent Optionally Convertible Redeemable Preference Shares" between Shareholder's Fund and Non-Current Liabilities pending due process/applicable statutory compliance.

33.1 Secured Lenders (Banks) excluding loans assigned to Asset Reconstruction Company (ARC):

The Banks revoked the CDR package on 29th December, 2015 approved by them due to Company not being able to fulfill the terms of the CDR package. Accordingly the Banks are entitled to exercise rights and remedies available under the original loan documents. In the absence of any communication from these Banks, the Company has not provided for additional interest from CDR cut-off date till 31st March, 2017 estimated at ₹ 5,44,23,141/- which arises on account of difference between interest rates as approved under CDR package and interest rate decided as per the original sanctioned terms and penal interest on overdue amounts of interest and installments. Had the Company provided for this interest in the current year, the Loss before tax for the year would have been higher by ₹ 5,44,23,141/-. Upon reconciliation and finalization of the estimated entitlements of these Banks, the Company shall recognize the liability in the books during the period in which finality is reached.

33.2 A Bank has assigned its loan to EARC aggregating to ₹ 87,07,68,625/- (being principle ₹ 49,50,00,000/- and interest ₹37,57,68,625/-) on the same terms and conditions as per the original financing documents. The EARC and the Company had filed Consent Terms (CT) on 18th December, 2015 in relation to "Winding up Proceeding" with the Hon'ble Bombay High Court .

On the basis of the CT, the Company is required to pay ₹ 31,20,00,000/- towards full and final payment of the amount due and payable to the EARC subject to the Company complying with the "Schedule of Payments" referred to in the CT as per which the entire amount of ₹ 31,20,00,000/- ought to be paid before 31st December, 2020.

However, the Company has not paid a sum of ₹ 75,00,000/- due on 31st March, 2017. Hence, as per clause 13 of the CT, the entire debt of the settlement of dues shall become payable along with interest as per transaction documents till the realization of the debt.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Since the Company is confident of obtaining a revised "Schedule of Payments" such that there will be no default, the Company has written back a sum of ₹ 55,87,68,625/- (including interest ₹ 37,57,68,625/- upto the date of assignment) in the Statement of Profit and Loss on the assumption that it will honour the revised schedule of payments. Accordingly, the Company has classified the balance loan of ₹ 30,75,00,000/- as Long Term Borrowing of ₹26,50,00,000/- and Other Current Liabilities of ₹ 4,25,00,000/-.

Based on assumption of obtaining a revised "Schedule of Payments", the Company has not provided for interest of ₹ 20,29,08,631/- on the loan assigned to EARC from the date of assignment.

Had the Company not written back ₹ 55,87,68,625/- and provided for interest of ₹ 20,29,08,631/- in the current year, the loss before tax for the year would have been higher by ₹ 76,16,77,256/-.

- 33.3 A Non-Banking Financial Company (NBFC) and the Company had filed Consent Terms (CT) on 27th September, 2016 with the Hon'ble Bombay High Court for settlement of dues aggregating to ₹ 47,19,59,475/- (including interest of ₹ 20,52,92,807/-).

On the basis of the CT, the Company is required to pay ₹ 30,00,00,000/- towards full and final payment of the amount due and payable to the NBFC subject to the Company complying with the "Schedule of Payments" referred to in the CT as per which the entire amount of ₹ 30,00,00,000/- ought to be paid on or before 31st December, 2017.

However, the Company has not paid a sum of ₹ 10,00,00,000/- due up to 31st March, 2017. Hence, as per clause 10 of the CT, the entire debt of the settlement of dues shall become payable along with interest as per transaction documents till the realization of the debt.

The Company is confident of obtaining a revised "Schedule of Payments" such that there will be no default.

Accordingly, the Company has written back interest of ₹ 17,19,59,475/- in the Statement of Profit and Loss on the assumption that it will honour the revised schedule of payments.

Based on assumption of obtaining a revised "Schedule of Payments", the Company has not provided for interest of ₹6,18,60,443/- on the loan from the date of CT.

Had the Company not written back ₹17,19,59,475/- and provided for interest of ₹ 6,18,60,443/-, the loss before tax for the year would have been higher by ₹ 23,38,19,918/-.

- 34 Tax Deducted at Source

- (a) The Company had deducted income tax at source (TDS) aggregating to ₹ 3,54,48,331/- 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 ₹ 3,54,48,331/- back to the respective parties.

- (b) The Company has written back an aggregate amount of ₹ 82,68,626/- representing interest on unpaid tax deducted at source provided in earlier years on the premise that since the corresponding tax deducted is assumed to be not payable as mentioned in Note no. (a) above, interest thereon is assumed to be not payable.

- 35 Fixed Assets and Depreciation

In the opinion of the Management, the Company's assets are such that there are no significant parts thereof whose life is different than the useful life of the whole asset (Component accounting being a technical matter, the opinion of the Management is relied upon by the Auditors). Consequently, the Company has continued to provide depreciation in respect of all its assets on the basis as was followed in the financial year 2014-15, i.e. based on useful lives of the respective assets.

- 36 Investments

The Company held strategic and long term investments aggregating to ₹13,40,52,87,336/- by way of equity shares in its 11 subsidiaries of which ₹ 4,32,00,00,000/- relate to OCRPS of 3 subsidiaries which are converted into equity shares in terms of respective Restructuring Agreements. The present "net asset value" of the said investments are either negative/lower than their respective costs of acquisition.

Of the above 11 subsidiaries:

- a. 7 subsidiaries, whose strategic and long term investments aggregating to ₹ 13,17,76,06,336/- by way of equity shares, are implementing their respective Revival Plans along with the future business plans of the Company and hence Management is of the view that the diminution in value of its investments being temporary in nature, no further provision for diminution in value is called for at this juncture.
- b. balance 4 subsidiaries, based on the review of their business plans and considering that it's investments are no longer strategic in nature, the Company has disposed off its investments in equity shares of such companies.

- 37 Mark to Market Losses (MTM)

- 37.1 Axis Bank

- (i) The Company had entered into an INR to USD Principal only Swap contract with Axis Bank Limited on 30th September, 2015, with the maturity date being 30th September, 2020 for a notional amount of ₹ 2,50,00,00,000/- (USD 3,80,74,931/-). During the previous year, the Company had provided an amount of ₹ 2,26,54,585/- in respect of MTM losses based on determination of fair market value of derivatives entered into by the Company. During the year, the Company has terminated the said Principal only Swap contract on 23 rd March, 2017 for an agreed consideration of ₹ 6,85,000/-. Hence, the Company has recognised a gain of ₹2,33,39,585/- which is disclosed as an "Exceptional Item".

- (ii) The Company had terminated the cross currency swap derivative contract with Axis Bank Limited on 30th September, 2015 for an agreed value of ₹ 42,00,00,000/- of which the balance as on 31st March, 2017 is ₹ 26,59,79,229/-.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

37.2 Kotak Mahindra Bank Limited
In respect of derivative contracts entered into by the company with ING Vysya Bank (now amalgamated with Kotak Mahindra Bank Limited w.e.f. 1st April, 2015), the bank had prematurely terminated the contracts and had demanded termination and liquidation fees aggregating to ₹ 28,75,00,000/-, which are disputed by the Company and hence not provided for.

38 Other Advances

(i) Other Advances ₹ 61,66,529/- as on 31st March, 2017 comprise of cash seized by the Income Tax department from the Company and its subsidiaries at the time of search on 13th June, 2014, as detailed below:

Name of the Company	Amount in ₹
Arshiya Limited	3,101,229
Arshiya Supply Chain Management Private Limited	1,065,300
Arshiya Rail Infrastructure Limited	2,000,000
Total	6,166,529

(ii) **Remuneration of ₹ 1,14,82,000/- paid/provided to the Executive Director for F.Y. 2013-14:**

The Company had applied for waiver of recovery of excess remuneration of ₹ 83,52,000/- paid to its Whole Time Director (Director) in the earlier year which was rejected by the Ministry of Corporate Affairs vide their letter dated 2nd June, 2016. In view of the same, after recovering/adjusting amounts payable to the Director, the Company is in the process of recovering the balance amount of ₹ 42,10,097/- as on 31st March, 2017. Further the Company has since recovered a sum of ₹ 5,00,000/- on 5th May, 2017.

39 Specified Bank Notes (SBN)

During the year, the Company had Specified Bank Notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 30th March, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as mentioned below:

Particulars	SBNs*	(Amount in ₹)	
		Other denomination notes	Total
Closing Cash in hand as on 8th November, 2016	4,410,500	96,798	4,507,298
(+) Permitted receipts	-	749,800	749,800
(-) Permitted payments	-	(438,877)	(438,877)
(-) Amount deposited in Banks	(4,410,500)	-	(4,410,500)
Closing Cash in hand as on 30th December, 2016	-	407,721	407,721

* For the purpose of the clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S. O. 3407(E), dated 8th November, 2016.

40 Proceedings against Company

Certain lenders and creditors have filed winding up petitions/cases/other legal proceedings against the Company and its Directors for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. Claims by the said lenders and creditors have been contested by the Company in those proceedings and not acknowledged as debts. The financial implication of such claims will be recognized as and when finality in the matter is reached.

41 During the year, Arshiya Rail Infrastructure Limited, a subsidiary of the Company has filed an application, for the merger of Arshiya Industrial & Distribution Hub Limited and Arshiya Transport and Handling Limited with Arshiya Rail Infrastructure Limited, with the National Company Law Tribunal (NCLT). The impact of this proposed merger will be recognized on receipt of the Order from the NCLT.

42 Maharashtra VAT Refund Receivable

42.1 As per the Notification dated 16th May, 2013, issued by the government of Maharashtra, MVAT exemption/refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Company has claimed refund of ₹16,84,56,227/- in respect of transactions prior to record date, as the Company is of the view that the state government has exempted it from local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra.

42.2 The Company has filed a writ petition in the High Court of Bombay challenging the constitutional validity of MVAT on various grounds and has claimed refund of ₹16,84,56,227/-. The petition has been admitted and issues are framed and further hearing and final disposal is pending.

42.3 Accordingly, these financial statements reflect a sum of ₹16,84,56,227/- as refund receivable on account of MVAT. In case the refund is not granted, the necessary adjustment entries shall be recorded in the year in which finality is reached.

43 Taxation

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

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

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

(a) Brief descriptions of the plans

The Company's defined contribution plans are Provident Fund and Employees State Insurance where the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity. The employees are also entitled to leave encashment as per the Company's policy.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(b) Defined benefit plan - Gratuity:			
Particulars	31st March 2017	31st March 2016	
I. Actuarial assumptions			
Discount rate	6.90%	7.55%	
Rate of return on plan assets	6.90%	7.55%	
Salary Escalation Rate	7.00%	7.00%	
Attrition rate	15.00%	15.00%	
II. Change in defined benefit obligations			
Liability as at the beginning of the year	6,830,007	5,761,500	
Interest cost	505,277	419,269	
Current service cost	2,004,451	1,755,573	
Benefits paid	(275,193)	(772,500)	
Actuarial (gain)/loss on obligations	890,869	(333,835)	
Liability as at the end of the year	9,955,411	6,830,007	
III. Fair value of plan assets			
Fair value of plan assets as at the beginning of the year	1,378,046	1,271,848	
Expected return on plan assets	104,042	114,466	
Actual Enterprise's Contributions	275,193	772,500	
Benefits paid	(275,193)	(772,500)	
Actuarial gain/(loss) on plan assets	9,647	(8,268)	
Fair value of plan assets as at the end of the year	1,491,735	1,378,046	
IV. Actual return on plan assets			
Expected return on plan assets	104,042	114,466	
Actuarial gain/(loss) on plan assets	9,647	(8,268)	
Actual return on plan assets	113,689	106,198	
V. Liability recognised in the Balance Sheet			
Liability as at the end of the year	9,955,411	6,830,007	
Fair value of plan assets as at the end of the year	1,491,735	1,378,046	
Liability recognised in the Balance Sheet	8,463,676	5,451,961	
VI. Percentage of each category of plan assets to total fair value of plan assets			
Insurer managed funds	100%	100%	
VII. Expenses recognised in the Statement of Profit and Loss			
Current service cost	2,004,451	1,755,573	
Interest cost	505,277	419,269	
Expected return on plan assets	(104,042)	(114,466)	
Net actuarial (gain)/loss to be on obligation	881,222	(325,567)	
Expense recognised in Statement of Profit and Loss	3,286,908	1,734,809	
VIII. Balance Sheet reconciliation			
Opening net liability	5,451,961	4,489,652	
Expenses as above	3,286,908	1,734,809	
Actual Employer Contribution	(275,193)	(772,500)	
Closing net liability	8,463,676	5,451,961	
IX. Expected employers contribution in next year			
As per actuarial valuation report	1,182,561	844,930	
(c) Leave Encashment:			
(Amount in ₹)			
Particulars	31st March 2017	31st March 2016	
I. Actuarial assumptions			
Discount rate	6.90%	7.55%	
Salary Escalation Rate	7.00%	7.00%	
Attrition rate	15.00%	15.00%	
II. Change in defined benefit obligations			
Liability as at the beginning of the year	3,998,301	3,840,701	
Interest cost	279,400	237,786	
Current service cost	1,424,709	1,151,151	
Benefits paid	(595,289)	(1,584,318)	
Actuarial (gain)/loss on obligations	556,621	352,981	
Liability as at the end of the year	5,663,742	3,998,301	
III. Liability recognised in the Balance Sheet			
Current Liability as at the end of the year	891,674	648,070	
Non Current Liability as at the end of the year	4,772,068	3,350,231	
Liability recognised in the Balance Sheet	5,663,742	3,998,301	
IV. Expenses recognised in the Statement of Profit and Loss			
Current service cost	1,424,709	1,151,151	
Interest cost	279,400	237,786	
Net actuarial (gain)/loss	556,621	352,981	
Expense recognised in Statement of Profit and Loss	2,260,730	1,741,918	
V. Balance Sheet reconciliation			
Opening net liability	3,998,301	3,840,701	
Expenses as above	2,260,730	1,741,918	
Benefits Paid	(595,289)	(1,584,318)	
Closing net liability	5,663,742	3,998,301	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45 Disclosure pursuant to Accounting Standard 17 - Segment Information

The Company is primarily engaged in developing and operating Free Trade Warehousing Zone (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 a single geographical segment.

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

Name of the entity	Country of Incorporation	Proportion of interest (including beneficial interest)/voting power (either directly/indirectly or through subsidiaries)
Direct Subsidiaries:		
Arshiya Hong Kong Limited (up to 21st March, 2017)	Hong Kong	Nil (100%)
Cyberlog Technologies International Pte. Limited (up to 21st March, 2017)	Singapore	Nil (100%)
Arshiya International Singapore Pte. Limited (up to 21st March, 2017)	Singapore	Nil (100%)
Arshiya Supply Chain Management Private Limited \$	India	100% (100%)
Arshiya Transport and Handling Limited	India	100% (100%)
Arshiya Northern FTWZ Limited	India	100% (100%)
Arshiya Central FTWZ Limited \$\$ (up to 21st March, 2017)	India	Nil (100%)
Arshiya Industrial & Distribution Hub Limited \$\$\$	India	100% (100%)
Arshiya Rail Infrastructure Limited @	India	100% (100%)
Arshiya Technologies (India) Private Limited*	India	100% (100%)
Arshiya Lifestyle Limited (w.e.f. 8th February, 2017)	India	100% (Nil)
Indirect Subsidiaries:		
Held through Cyberlog Technologies International Pte. Limited		
Cyberlog Technologies (UAE) FZE (up to 21st March, 2017)	U.A.E.	Nil (100%)
Held through Arshiya Rail Infrastructure Limited:		
Arshiya Rail Siding and Infrastructure Limited	India	100% (100%)

Note: Percentage given in bracket relates to previous year.

\$ 12.64% (12.64%) held through Arshiya Northern FTWZ Limited

\$\$ Nil (48.33 %) held through Arshiya Hong Kong Limited

\$\$\$ Nil (9.38 %) held through Cyberlog Technologies (UAE) FZE

@ Nil (5.27%) held through Arshiya Hong Kong Limited

*Nil (90.11%) held through Cyberlog Technologies International Pte. Limited

(a) (I) Key Management Personnel

Mr. Ajay S Mittal - Chairman and Managing Director

Mrs. Archana A Mittal - Joint Managing Director

Mr. Subhrarabinda Birabar - Chief Executive Officer (Resigned on 17/03/2016)

Mrs. Savita Dalal - Company Secretary (w.e.f. 10/07/2015)

Mr. V. L. Ganesh - Chief Financial Officer (w.e.f. 10/07/2015 to Resigned on 19/02/2016)

Mr. S. Maheshwari - Chief Financial Officer (w.e.f. 08/02/2017)

(II) Relative of Key Management Personnel

Mr. Ananya Mittal - Corporate Strategy Officer (Arshiya Group)

(III) Enterprise owned or significantly influenced by key management personnel or their relatives

Rudradev Properties Private Limited

Note:

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

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

Nature of transactions	Name of the Party	(Amount in ₹)	
		2017	2016
Revenue from operations	Arshiya Supply Chain Management Private Limited	497,110,038	391,281,394
Allocation of common costs and expenses (Refer Note No. 51)	Arshiya Rail Infrastructure Limited	41,981,999	-
	Arshiya Northern FTWZ Limited	56,358,648	-
	Arshiya Industrial & Distribution Hub Limited	41,981,999	-
Remuneration paid	Mr. Subhrarabinda Birabar	-	11,319,042
	Mr. S. Maheshwari	2,499,884	-
	Mr. V. L. Ganesh	-	4,823,337
Advance received for expenses	Arshiya Technologies (India) Private Limited	-	1,284,044
Expenses incurred on behalf of a subsidiary	Arshiya Technologies (India) Private Limited	-	39,674
Refund of advance received for expenses	Arshiya Technologies (India) Private Limited	-	1,244,370
Loans and advances given	Arshiya Rail Infrastructure Limited	75,821,601	116,493,001

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Arshiya Northern FTWZ Limited	18,959,335	74,356,410
	Arshiya Industrial & Distribution Hub Limited	19,197,493	10,991,467
	Arshiya Central FTWZ Limited	133,548	-
	Arshiya Technologies (India) Private Limited	81,710	-
	Arshiya Transport and Handling Limited	125,159	1,083,452
Loans and advances given repaid/adjusted	Arshiya Rail Infrastructure Limited	35,681,100	20,301,903
	Arshiya Northern FTWZ Limited	16,605,638	118,813
	Arshiya Industrial & Distribution Hub Limited	86,543	700,958
	Arshiya Central FTWZ Limited	133,548	-
	Arshiya Technologies (India) Private Limited	-	28,094
	Arshiya Transport and Handling Limited	27,328	-
Land Sold	Arshiya Rail Infrastructure Limited	-	7,037,907
Loans and advances taken	Mrs. Archana A Mittal	158,780,799	534,830,288
Loans and advances taken repaid/adjusted	Mr. Ajay S Mittal	3,750	27,633
	Mrs. Archana A Mittal	186,239,549	109,921,577
Loans and advances adjusted against land advance	Arshiya Central FTWZ Limited	-	1,013,576
Forfeiture of Capital Advances	Arshiya Central FTWZ Limited	-	920,492,975
Conversion of Loan into Equity	Mrs. Archana A Mittal	-	419,750,000
	Arshiya Rail Infrastructure Limited	185,222,000	-
	Arshiya Northern FTWZ Limited	448,051,000	-
	Arshiya Industrial & Distribution Hub Limited	104,157,000	-
Conversion of OCRPS into Equity	Arshiya Rail Infrastructure Limited	1,310,000,000	-
	Arshiya Northern FTWZ Limited	870,000,000	-
	Arshiya Industrial & Distribution Hub Limited	2,140,000,000	-
Investments purchased from	Arshiya Hong Kong Limited	100,000	-
	Cyberlog Technologies International Pte. Limited	100,000	-
	Cyberlog Technologies (UAE) FZE	200,000	-
	Mrs. Archana A Mittal	1,457,500	-
	Mr. Ajay Mittal	27,500	-
Investments sold	Rudradev Properties Private Limited	400,000	-
Security Deposit received	Arshiya Supply Chain Management Private Limited	-	645,000,000
Security Deposit repaid/adjusted	Arshiya Supply Chain Management Private Limited	328,150,000	-
Corporate guarantees/securities given	Arshiya Rail Infrastructure Limited	-	65,000,000
	Arshiya Supply Chain Management Private Limited	-	1,850,000,000
Corporate guarantees/securities Cancelled	Arshiya Supply Chain Management Private Limited	-	1,850,000,000
	Arshiya Northern FTWZ Limited	-	300,000,000
Closing Balances as at March 31, 2017			
Loans and advances given	Arshiya Rail Infrastructure Limited	59,457,125	162,556,625
	Arshiya Industrial & Distribution Hub Limited	10,828,112	53,892,163
	Arshiya Transport and Handling Limited	105,018,654	104,920,823
	Arshiya Northern FTWZ Limited	18,718,788	408,057,443
	Arshiya Technologies (India) Private Limited	81,710	-
Trade receivables	Arshiya Supply Chain Management Private Limited	140,305	77,300,143
Security deposit Received	Arshiya Supply Chain Management Private Limited	578,850,000	907,000,000
Loans taken	Mr. Ajay S Mittal	27,500	3,750
	Mrs. Archana A Mittal	6,789,971	32,791,222
	Arshiya Industrial & Distribution Hub Limited	4,449,972,066	2,205,615,066
	Arshiya Northern FTWZ Limited	4,462,528,790	3,144,477,790
	Arshiya Rail Infrastructure Limited	3,836,920,560	2,341,598,560
	Arshiya Supply Chain Management Private Limited	425,999,920	425,999,920
	Arshiya Central FTWZ Limited	-	110,500,000
	Arshiya Hongkong Limited	-	53,250,000
Investment in subsidiaries (Refer Note No. 36)	Cyberlog Technologies International Pte. Limited	-	60,500,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Arshiya International Singapore Pte. Limited	-	3,431,000
	Arshiya Transport and Handling Limited	500,000	500,000
	Arshiya Technologies (India) Private Limited	200,000	100,000
	Arshiya Lifestyle Limited	1,485,000	-
Corporate guarantees/securities given	Arshiya Northern FTWZ Limited	3,053,700,000	3,261,100,000
	Arshiya Rail Infrastructure Limited	5,723,299,946	7,654,819,332
	Arshiya Supply Chain Management Private Limited	1,850,000,000	1,850,000,000
	Arshiya Industrial & Distribution Hub Limited	4,816,943,291	4,733,800,000

47 Loans and Advances in the nature of Loans to Subsidiaries (Pursuant to the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015):

Loans and Advances to Subsidiaries

Name of the Subsidiary	(Amount in ₹)	
	Amount outstanding as on March 31, 2017	Maximum amount outstanding during the year
Arshiya Rail Infrastructure Limited	59,457,125 (162,556,625)	185,380,737 (166,123,072)
Arshiya Transport and Handling Limited	105,018,654 (104,920,823)	105,045,574 (104,920,823)
Arshiya Industrial & Distribution Hub Limited	10,828,112 (53,892,163)	104,155,981 (53,892,163)
Arshiya Northern FTWZ Limited	18,718,788 (408,057,443)	448,050,272 (408,057,442)
Arshiya Technologies (India) Private Limited	81,710 -	81,710 (47,448)
Total	194,104,390 (729,427,054)	

(Figures in brackets denote those of the previous year)

48 Disclosure pursuant to Accounting Standard 19 - Leases

Finance Lease

The Company has acquired vehicles under finance lease. Details of lease rentals payable are as follows:

Particulars	(Amount in ₹)	
	Not later than one year	Later than one year but not later than five years
Minimum lease payments	246,344 (422,304)	- (246,344)
Less: Finance charges payable	8,676 (48,159)	- (8,676)
Present value of lease rentals	237,668 (374,145)	- (237,668)

Operating Lease

Particulars	(Amount in ₹)	
	Not later than one year	Later than one year but not later than five years
Future Lease payment	6,415,200 (-)	14,434,200 (-)

49 Earnings per share:

Particulars	31st March 2017	31st March 2016
Loss for the year (Amount in ₹)	[1,053,510,894]	(2,783,949,721)
Weighted average number of equity shares (Number)	156,179,472	141,916,658
Nominal value per share (Amount in ₹)	2	2
Earnings per share - Basic and Diluted (Amount in ₹)	(6.75)	(19.62)

50 The company had borrowed a sum of ₹ 12,50,00,000/- in 2012, against which 21,35,000 shares of the Company held by one of the Promoter Directors was given as security by way of pledge. The lender invoked the pledge in 2013 and subsequently sold these shares in the market to recover the loan given to the Company. The Promoter Director suffered a loss on account of the invocation and sale of the shares which is being claimed from the Company. During the year, the Company has obtained a legal opinion and has been advised to provide for the compensation payable of ₹ 6,59,30,099/- and the same has been approved by the Board of Directors. The same has been disclosed as an "Exceptional Item". The legal opinion also confirms that this compensation cannot be considered as Managerial Remuneration.

51 During the year, the Company has allocated certain common costs and expenses incurred by it, being the Holding Company, to its subsidiaries aggregating to ₹14,03,22,646/- based on management's estimates of such costs and expenses attributable to them. Hence, Employee benefit expenses (refer note no. 21) and certain expenses stated under Other expenses (refer note no. 23) are presented as net of allocation of certain common costs and expenses. Had the Company continued the earlier practice, loss for the year ended 31st March, 2017 would have been higher by ₹14,03,22,646/-.

52 The Company was required to appoint Chief Financial Officer (CFO) as a Key Managerial Person as per sub-section (1) of section 203 of the Companies Act, 2013 by 18th August, 2016 in place of Mr. V. L. Ganesh who ceased to be CFO w.e.f. 19th February, 2016. However, there was a delay in compliance as the Company appointed Mr. S. Maheshwari as a CFO w.e.f. 8th February, 2017.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

54 i) Derivative contracts entered into by the Company for hedging purpose and outstanding as at 31st March, 2017:

Particulars	Financial Year Ended	Foreign currency amount	Equivalent amount
		(in ₹)	
Long-term borrowings**			
USD	2017 2016	- 38,074,931	- 2,522,654,585

(**Refer Note No 37.1(i))

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

Particulars	Financial Year Ended	Foreign currency amount	Equivalent amount
		(in ₹)	
Bank balances			
USD	2017 2016	5 5	317 317
Receivables			
USD	2017 2016	287,804 672,169	18,396,445 43,966,573
EUR	2017 2016	8,222 10,136	558,300 747,227
Security Deposit from customer			
USD	2017 2016	3,875 -	247,690 -

55 Prior Period Adjustments:

Particulars	(Amount in ₹)	
	Year Ended 31st March 2017	Year Ended 31st March 2016
Finance Charges	-	3,187,500
Professional Fees	1,303,611	2,136,112
Repair & Maintenance	277,151	-
Write back of Interest	-	(601,552)
Miscellaneous Expenses	176,000	-
Prior Period Adjustments (net)	1,756,762	4,722,060

56 Other Disclosures :

(a) Earnings in foreign currency

Particulars	(Amount in ₹)	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Revenue from Free Trade and Warehousing Zone	172,070,213	169,376,774
Total	172,070,213	169,376,774

(b) Expenditure in foreign currency

Particulars	(Amount in ₹)	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Travelling expenses	2,791,143	2,866,570
Professional Fees	-	933,329
Total	2,791,143	3,799,899

57 Certain balances in respect of trade receivables, loans and advances, term loans, trade payables, other liabilities and provisions other than due from/to Subsidiaries are subject to confirmations and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the accounts will be adjusted in the year in which balances are reconciled.

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

Signatures to Notes forming part of Financial Statements

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

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

Mukul Patel
Partner
Membership Number: 032489

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

S. Maheshwari
Chief Financial Officer

Place: Mumbai
Date: 18th May 2017

Savita Dalal
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Arshiya Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Arshiya Limited** (hereinafter referred to as "**the Holding Company**") and its subsidiaries (The Holding Company and its subsidiaries together referred to as "**The Group**"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, which include unaudited-financial-statements in respect of four subsidiaries (since disposed off on 21st March, 2017) as provided by the Holding Company and audited financial statements of a subsidiary (acquired on 8th February, 2017) audited by another auditor.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and our comments referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for Qualified Opinion:

We draw attention to the following:

1. In respect of non-provision of interest aggregating to ₹ 95,43,20,560/- on loans excluding loans assigned to Asset Reconstruction Company as referred to in Note no. 35.1
2. In respect of non-provision of interest of ₹ 20,29,08,631/- and dues written back of ₹ 55,87,68,625/- (including interest ₹ 37,57,68,625 upto the date of assignment) on loans assigned to Asset Reconstruction Company as referred to in Note no. 35.2
3. In respect of non-provision of interest of ₹ 6,18,60,443/- and interest written back of ₹ 17,19,59,475/- on loan from a Non-Banking Financial Company as referred to in Note no. 35.3

As stated above in items 1, 2, and 3, the records of the Group indicate that it has not provided for interest aggregating to ₹ 1,21,90,89,634/- and dues written back aggregating to ₹ 73,07,28,100/-. Had the Group provided for said interest of ₹ 1,21,90,89,634/- and had not written back said dues of ₹ 73,07,28,100/-:

- i. Finance cost would have been higher by ₹ 1,21,90,89,634/-
 - ii. Exceptional items would have been higher by ₹ 73,07,28,100.-
 - iii. Loss for the year, Deficit in the Statement of Profit and Loss and Other Current Liabilities would have been higher by ₹ 1,94,98,17,734/-.
4. In respect of non-compliance with the provisions of sub section 1 of Section 203 of the Act by Holding Company relating to delay in appointment of Chief Financial Officer as referred to in Note no.53.1.
 5. In respect of non-compliance with the provisions of sub section 1 of Section 203 of the Act by Subsidiary Companies (Arshiya Central FTWZ Limited and Arshiya Industrial and Distribution Hub Limited) relating to delay/non appointment of Chief Financial Officer as referred to in Note no.53.2.
 6. In respect of non-compliance with the provisions of sub section 1 of Section 203 of the Act by Subsidiary Companies (Arshiya Central FTWZ Limited, Arshiya Rail Infrastructure Limited, Arshiya Northern FTWZ limited and Arshiya Industrial and Distribution Hub Limited) relating to delay/non appointment of whole-time Company Secretary as referred to in Note no.53.3.

Opinion

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date;
- and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

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

- (a) Guarantees given by Holding Company on behalf of subsidiaries being invoked by the consortium of banks (See Note no. 26)
- (b) Dues to banks and others being recalled by respective lenders aggregating to ₹7,70,78,48,117/- (See note no. 11)
- (c) Creditors for capital expenditure ₹ 85,57,71,424/- (See Note no 11)
- (d) Unpaid employee's dues ₹ 6,35,63,753/- (See Note no. 11)
- (e) Unpaid Statutory dues ₹ 29,15,48,537/- (See Note no. 11)

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

- (a) Note no 36 Re: Tax Deducted at Source
- (b) Note no. 38.2 Re: Mark to Market Losses
- (c) Note no. 40 Re: Legal Proceedings against the Company
- (d) Note no. 57 Re: Pending balance confirmations

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the Management Accounts of four subsidiaries, which were disposed off on 21st March, 2017 and hence there were no assets as on 31st March, 2017 and total revenues of rupees Nil for the period ended 21st March, 2017. These Management Accounts have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these four subsidiaries, is based solely on such management accounts.

We did not audit the financial statements of a subsidiary registered in India, which was acquired on 8th February, 2017, and whose financial statements reflect total assets of ₹ 21,59,523/- as at 31st March, 2017 as well as total revenue of rupees Nil from 8th February, 2017 to 31st March, 2017, which are considered in the consolidated financial statements. These financial statements and other financial information have been audited by another auditor whose report has been furnished to us by the Management, and our opinion on these consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of such auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the Other Matters as stated above with respect to our reliance on the Management Accounts certified by the Management and on the work done by another auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements (Refer to 'Other Matters' above).
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books (Refer to 'Other Matters' above).
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements (Refer to 'Other Matters' above).

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016 (Refer to 'Other Matters' above).
- (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act (Refer to 'Other Matters' above).
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer our separate report in Annexure "A" and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note nos. 25(a) to 25(e) and 40).
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts, except to the extent disputed and hence not provided for (Refer Note no. 38.2).
 - iii. There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries incorporated in India.
 - iv. The Group has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company (Refer Note no. 55).

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

Mukul Patel
Partner
Membership No. 032489

Place: Mumbai
Date: 18th May, 2017

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **ARSHIYA LIMITED ("the Holding Company")** and its subsidiary companies which are companies incorporated in India as of 31st March 2017, except a subsidiary which was disposed off on 21st March, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are incorporated in India, except a subsidiary which was disposed off on 21st, March, 2017, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Mukul Patel
Partner
Membership No. 032489

Place: Mumbai
Date: 18th May, 2017

Consolidated Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016
I. Equity and Liabilities			
1. Shareholders' funds			
(a) Share capital	4	312,358,944	312,358,944
(b) Reserves and surplus	5	(7,707,018,825)	(3,749,902,981)
		(7,394,659,881)	(3,437,544,037)
2. Debt convertible into Equity and Zero Percent Optionally Converted Redeemable Preference Shares			
	6	12,620,000,000	-
3. Non-current liabilities			
(a) Long-term borrowings	7	13,194,049,823	5,534,435,843
(b) Other long-term liabilities	8	330,709,030	446,986,629
(c) Long-term provisions	12	13,120,191	9,750,156
		13,537,879,044	5,991,172,628
4. Current liabilities			
(a) Short-term borrowings	9	699,261,054	1,803,581,504
(b) Trade payables	10		
(i) Total outstanding dues of micro enterprises and small enterprises		4,170,081	4,036,454
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		155,524,485	135,956,395
(c) Other current liabilities	11	13,447,662,951	29,620,283,806
(d) Short-term provisions	12	171,922,923	195,567,297
		14,478,541,494	31,759,425,456
II. Assets			
1. Non-current assets			
(a) Fixed assets	13		
(i) Tangible assets		31,807,364,580	32,292,672,836
(ii) Intangible assets		354,719,174	424,570,455
		32,162,083,754	32,717,243,291
(b) Long-term loans and advances	14	329,785,941	810,704,754
(c) Other non-current assets	15	-	4,172,979
		329,785,941	814,877,733
2. Current assets			
(a) Inventories	16	1,572,952	16,040,647
(b) Trade receivables	17	251,084,861	232,849,101
(c) Cash and cash equivalents	18	83,011,253	116,936,728
(d) Short-term loans and advances	14	412,010,371	414,629,705
(e) Other current assets	15	2,211,525	476,842
		749,890,962	780,933,023
Total		33,241,760,657	34,313,054,047

Summary of Significant Accounting Policies

3

See accompanying notes to the financial statements

1-58

As per our report of even date

For M. A. Parikh & Co.

Chartered Accountants

Firm Registration No. 107556W

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

Mukul Patel

Partner

Membership No. 032489

Ajay S Mittal

Chairman and Managing Director

DIN: 00226355

S. Maheshwari

Chief Financial Officer

Place: Mumbai

Date: 18th May, 2017

Savita Dalal

Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017 (Amount in ₹)

Particulars	Notes	Year Ended 31st March, 2017	Year Ended 31st March, 2016
I. Revenue			
1. Revenue from operations	19	2,677,613,422	3,087,032,517
2. Other income	20	16,245,514	17,008,931
Total Revenue		2,693,858,936	3,104,041,448
II. Expenses			
1. Cost of operations	21	1,583,946,544	1,951,549,135
2. Employee benefits expense	22	353,720,005	318,918,594
3. Finance costs	23	2,914,463,203	3,432,201,062
4. Depreciation and amortization expense	0	864,306,560	916,020,304
5. Other expenses	24	329,634,214	270,810,991
Total Expenses		6,046,070,526	6,889,500,086
III. Loss for the year before Exceptional items and Tax		(3,352,211,590)	(3,785,458,638)
IV. Exceptional items (Net)	31	569,689,136	2,230,367,978
V. Prior Period adjustments (Net)	49	4,532,780	(10,288,660)
VI. Loss for the year before tax		(3,926,433,506)	(6,005,537,956)
VII. Tax expense			
1. Provision for current year		-	7,550,000
2. Short provision for prior year		262,758	24,437,695
VIII. Loss for the year		(3,926,696,264)	(6,037,525,651)
Earnings Per Share Basic and Diluted	47	(25.14)	(42.54)

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

3
1-58

As per our report of even date

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

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

Mukul Patel
Partner
Membership No. 032489

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

S. Maheshwari
Chief Financial Officer

Place: Mumbai
Date: 18th May, 2017

Savita Dalal
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Cash flow from operating activities		
Loss before tax	(3,926,433,506)	(6,005,537,956)
Adjustments for:		
Loss on sale of assets (net)	-	81,441,143
Mark to Market (Gain)/Losses	(23,339,585)	204,190,694
Bad debts	6,905,089	22,577,093
Sundry balances written back (net)	(5,757,551)	(113,390,033)
Corporate debt revival and advisory fees	255,000,000	20,000,000
Recovery of bad debt/expenses provided in earlier year	(3,800,000)	(8,085,788)
Recovery of excess remuneration from Whole Time Director	(8,352,000)	-
Fixed assets/other assets written off	48,829,114	1,958,313,690
Irrecoverable advances written off	13,954,082	31,913,716
Provision for doubtful debts written back	(1,740,460)	-
Excess provision written back	(4,015,613)	(3,307,581)
Provision for interest on statutory dues written back	(23,207,965)	(6,478,231)
Reconciliation of loan account with EARC (net)	686,416,638	-
Settlement of claims	(605,856,665)	43,193,275
Compensation on shares invoked by lender	65,930,099	-
Loss on sale of subsidiaries	27,399,179	-
Provision for doubtful advances	139,500,000	-
Depreciation and amortization expense	864,306,560	916,020,304
Interest expense	2,914,463,203	3,432,201,062
Interest income	(3,323,557)	(3,253,355)
Foreign Exchange loss/(gain) (net)	1,185,551	(3,325,928)
Operating profit before working capital changes	418,062,613	566,472,105
Adjustments for :		
Decrease in inventories	95,581	186,045
(Increase)/Decrease in trade and other receivables	4,104,398	317,765,275
(Decrease) in trade and other payables	(87,582,407)	(417,372,547)
Cash generated from operations	334,680,185	467,050,878
Direct taxes paid	19,619,508	18,166,606
Net cash flow from operating activities	(A) 354,299,693	485,217,484
Cash flow from investing activities		
Purchase of fixed assets	(52,262,195)	(12,473,392)
Sale of fixed assets	-	364,779,467
Capital advances	847,709	(380,916,244)
Capital Reserve on acquisition of a subsidiary	158,280	-
Loss on Sale of Investment	(27,399,179)	-
Interest received	1,588,875	3,255,788
Net cash flow used in investing activities	(B) (77,066,510)	(25,354,381)
Cash flow from financing activities		
Issue of Equity shares (including security premium)	-	419,750,000
Repayment of long-term borrowings (net)	(307,901,531)	(428,507,559)
Short-term borrowings (net)	148,310,877	(74,649,763)
Dividend paid/Unpaid Dividend transfer to IEPF A/c	-	(1,185,506)
Interest paid	(151,568,004)	(319,847,460)
Net cash flow from financing activities	(C) (311,158,658)	(404,440,288)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(33,925,475)	55,422,815
Cash and cash equivalents as at the beginning of the year	96,141,165	44,621,001
Earmarked balances with banks	20,795,563	16,892,912
Cash and cash equivalents as at the end of the year	83,011,253	116,936,728
Cash and cash equivalents as at the end of the year	33,293,411	96,141,165
Earmarked balances with banks	49,717,842	20,795,563
Cash and cash equivalents as at the end of the year	83,011,253	116,936,728

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

As per our report of even date

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

Mukul Patel
Partner
Membership No. 032489

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

S. Maheshwari
Chief Financial Officer

Place: Mumbai
Date: 18th May, 2017

Savita Dalal
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate Information

Arshiya Limited (hereinafter referred to as "the Holding Company", or "the Company") together with its subsidiaries (collectively referred to as "Group") is Flagship Company of the Arshiya Group. It is a pioneering Unified Supply Chain- Infrastructure and Solutions Group headquartered in India. The Group business comprises of Free Trade and Warehousing Zone (FTWZ), Industrial & Distribution Hubs, Inland Container Depot (ICD), Rail & Rail Infrastructure, Forwarding, Transport & Handling, Supply Chain Technology and Management Solutions.

2 Basis of Consolidation

The Consolidated Financial Statements (CFS) relating to the Company and its subsidiaries are drawn up to the same reporting date as followed by the Holding Company, i.e. 31st March, 2017 (Previous Year 31st March, 2016). The CFS has been prepared on the following basis.

- The CFS of the Group are prepared under Historical Cost Convention on goingconcern basis in accordance with Generally Accepted Accounting Principles in India and Accounting Standard - 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI), to the extent possible in the same manner as that adopted by the Holding Company for its separate financial statements by regrouping, recasting or rearranging figures, wherever considered necessary.
- The consolidation of the financial statements of the Holding Company and its subsidiaries is done to the extent possible on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements. All inter-group transactions, unrealised inter-company profits and balances have been eliminated in the process of consolidation. Minority interest in subsidiaries represents the minority shareholders proportionate share of the net assets and net income.
- The excess of cost to the Company of its investment in the subsidiaries over the Company's share of equity and reserves of the Subsidiaries is recognised in the financial statements as Goodwill, which is tested for impairment on every balance sheet date. The excess of Company's share of equity and reserves of the subsidiaries over the cost of acquisition is treated as Capital Reserve.
- The CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except deviations, if any, in case of certain subsidiaries, whose financial statements are based on the Financial Reporting Standards as required under the laws of the respective countries in which they are registered. However, such deviations, if any, do not have any significant effect on the CFS (Refer Note No. 27 relating to foreign subsidiaries)
- The CFS includes the Financial Statements of the Holding Company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal.

Name of the entity	Country of Incorporation	Proportion of interest (including beneficial interest)/ voting power (either directly/indirectly or through subsidiaries)	Audited/ Management Accounts
Direct Subsidiaries:			
Arshiya Hong Kong Limited (up to 21st March, 2017)	Hong Kong	Nil (100%)	Management Accounts
Cyberlog Technologies International Pte. Limited (up to 21st March 2017)	Singapore	Nil (100%)	Management Accounts
Arshiya International Singapore Pte. Limited (up to 21st March, 2017)	Singapore	Nil (100%)	Management Accounts
Arshiya Supply Chain Management Private Limited \$\$\$	India	100% (100%)	Audited
Arshiya Transport And Handling Limited	India	100% (100%)	Audited
Arshiya Rail Infrastructure Limited @	India	100% (100%)	Audited
Arshiya Northern FTWZ Limited	India	100% (100%)	Audited
Arshiya Central FTWZ Limited \$ (up to 21st March, 2017)	India	Nil (100%)	Management Accounts
Arshiya Industrial & Distribution Hub Limited \$\$	India	100% (100%)	Audited
Arshiya Technologies (India) Private Limited *	India	100% (100%)	Audited
Arshiya Lifestyle Limited (w.e.f. 8th February, 2017)	India	100% (Nil)	Audited
Indirect Subsidiaries:			
Held through Cyberlog Technologies International Pte Limited			
Cyberlog Technologies (UAE) FZE	U.A.E.	Nil (100%)	Management Accounts
Held through Arshiya Rail Infrastructure Limited:			
Arshiya Rail Siding and Infrastructure Limited	India	100% (100%)	Audited

\$\$\$ 87.36% (87.36%) held by the Holding Company and 12.64% (12.64%) held through Arshiya Northern FTWZ Limited.

@ 100% (94.73%) held by the Holding Company and Nil (5.27%) held through Arshiya Hongkong Limited.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

\$ Nil (51.67%) held by the Holding Company and 48.33 % (48.33 %) held through Arshiya Hongkong Limited.

\$\$ 100% (90.62%) held by the Holding Company and Nil (9.38 %) held through Cyberlog Technologies (UAE) FZE.

* Nil (90.11%) held by Cyberlog Technologies International Pte. Limited and 100 % (9.89%) held through Holding Company.

- (f) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.

3 Significant Accounting Policies

(i) Use of estimates

The preparation of CFS in conformity with Indian Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as on the date of financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from these estimates. Any revision to estimates is recognised prospectively in current and future periods.

(ii) Property, Plant and Equipment (Fixed Assets) and Intangible Assets

(A) Tangible Assets

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

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

(B) Capital work-in-progress

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

(C) Intangible Assets

- Intangible assets are carried at cost less accumulated amortization and impairment losses, if any.
- 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

A In case of the Holding Company and Indian subsidiaries

A.1 Free Trade and Warehousing Zone/Inland Container Depot:

(a) Tangible Assets

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

(b) Intangible Assets

- (i) 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.
- (ii) Trademarks are amortized over the period of ten years.

A.2 Rail freight and related services:

(a) Tangible Assets

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

(b) Intangible Assets

- 1 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.
- 2 Software (intangible asset other than (3) 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

B In case of overseas subsidiary companies

This subsidiaries provide depreciation on tangible fixed assets on straight line method based on the estimated useful life of the assets as determined by the management.

C The Group

Leasehold improvements are amortized over the period of the lease.

(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) Leases

(a) Finance lease

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

(b) Operating lease

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

(v) Investments

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

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

(vi) Inventories

Inventories are valued at cost or net realizable (NRV), whichever is less.

(vii) Revenue recognition

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

(b) Revenue from Handling and other Value Added Services/Activities is recognised on the basis of loading/unloading of container/cargo and completion of agreed contracted services.

(c) Rail freight income and related expenses are recognised for at the time of issue of Railway Receipt (RR) by Indian Railways.

(d) Revenue from sale of user licences for software application is recognised on transfer of the title of the user licences.

(e) Revenue from software development and consultancy services related to information technology is recognised upon completion of the actual service performed.

(f) 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.

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

(viii) Employee benefits

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

(a) Defined Contribution Plan

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

(b) Defined Benefit Plan

The liability for Leave encashment and Gratuity is determined on actuarial basis as per the Accounting Standard -15 "Employee Benefits" (AS 15) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ix) Foreign currency transactions

A Accounting of transactions

- (a) Transactions in foreign currencies are initially recognised at the prevailing exchange rates on the date of the transaction. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.
- (b) Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange difference is recognised in the Statement of Profit and Loss.
- (c) In respect of derivative contracts assigned to foreign currency monetary assets and liabilities, the differences due to change in exchange rate between the inception of derivative contracts and date of Balance Sheet and the proportionate premium/discount for the period upto the date of Balance Sheet are recognised in the Statement of Profit and Loss.

B Translation and exchange rates

Financial statements of overseas non-integral operations are translated as under:

- (a) Assets and liabilities at the exchange rates prevailing at the end of the year. Depreciation is accounted at the same rate at which assets are converted.
- (b) Revenue and expenses are at yearly average rates. Off balance sheet items are translated into Indian Rupees at year-end rate.

(x) Accounting for taxes on income

- (a) Provision for Current Tax is made, based on the tax payable under the Income Tax Act, 1961 and under the respective Tax Laws of the countries in which subsidiaries operate.
- (b) Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of rever salin one or more subsequent periods and are measured using relevant enacted tax rates. Deferred Tax assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.
- (c) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Group and the assets can be measured reliably.

(xi) Impairment of tangible and intangible assets

At the end of each year, the Group determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard - 28 "Impairment of Assets" (AS-28) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016.

(xii) Employee stock options

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

(xiii) Provisions, Contingent Liabilities and Contingent Assets

- (a) A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year-end date.
- (b) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- (c) Contingent Assets are not recognised or disclosed in the Consolidated financial statements.

(xiv) Earnings per Share

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

(xv) Cash Flow Statement

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(Amount in ₹)	
	As at 31st March, 2017	As at 31st March, 2016
4. Share Capital		
Authorised 21,00,00,000 (P.Y.:21,00,00,000) equity shares of ₹ 2/- each	420,000,000	420,000,000
Issued, Subscribed and Paid up 15,61,79,472 (P.Y.:15,61,79,472) equity shares of ₹ 2/- each, fully paid up	312,358,944	312,358,944
Total	312,358,944	312,358,944

(a) Terms and rights attached to equity shares

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

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

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	Amount (in ₹)	Number of shares	Amount (in ₹)
Balance as at the beginning of the year	156,179,472	312,358,944	127,429,472	254,858,944
Issued during the year	-	-	28,750,000	57,500,000
Balance as at the end of the year	156,179,472	312,358,944	156,179,472	312,358,944

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

Name of the shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Number of equity shares	Percentage (%) shareholding	Number of equity shares	Percentage (%) shareholding
Archana A Mittal	98,559,288	63.11%	98,559,288	63.11%
Ajay S Mittal	18,560,937	11.88%	18,560,937	11.88%

(d) During the previous year the Holding Company has allotted to the Promoter Directors 2,87,50,000 equity shares of ₹2/- each at a premium of ₹ 12.60 per share on preferential basis pursuant to the CDR package and in terms of special resolution passed on 12th May, 2014 as per applicable provisions of Companies Act, 1956/Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulation.

Particulars	(Amount in ₹)	
	As at 31st March, 2017	As at 31st March, 2016
5. Reserves & Surplus		
Security Premium Account		
Balance as at the beginning of the year	7,984,468,084	7,622,218,084
Add : On issue of Equity Shares	-	362,250,000
Balance as at the end of the year	7,984,468,084	7,984,468,084
Amalgamation Reserve *		
Balance as at the beginning and end of the year	12,480,000	12,480,000
Revaluation Reserve		
Balance as at the beginning of the year	6,297,990,374	6,353,919,970
Less: Adjustment on account of land sold during the year	-	55,929,596
Balance as at the end of the year	6,297,990,374	6,297,990,374
Foreign currency translation Reserve		
Balance as at the beginning of the year	30,577,860	23,635,696
Add: Adjustment upon Disposal of Subsidiaries	(30,577,860)	6,942,164
Balance as at the end of the year	-	30,577,860
Capital Reserve		
Balance as at the beginning and end of the year	-	-
Add : During the year	158,280	-
Balance as at the end of the year	158,280	-
General Reserve		
Balance as at the beginning and end of the year	94,017,534	94,017,534
Deficit in the Statement of Profit and Loss		
Balance as at the beginning of the year	(18,169,436,833)	(12,131,911,182)
Less: Loss for the year	(3,926,696,264)	(6,037,525,651)
Balance as at the end of the year	(22,096,133,097)	(18,169,436,833)
Total	(7,707,018,825)	(3,749,902,981)

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31st March, 2017	As at 31st March, 2016
6. Debt convertible into Equity and Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS) (Refer Note No.34)	12,620,000,000	-
Total	12,620,000,000	-

(Amount in ₹)

Particulars	Non-current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
7. Long-term borrowings				
Secured Loans				
Term loan from (Refer Note No. 34 and 35)				
- Banks	201,378,763	902,951,943	4,104,986,037	11,600,227,299
- Others	12,992,471,060	4,631,131,768	3,179,113,299	5,981,233,415
Vehicle loan from bank	-	237,668	237,668	374,145
Unsecured Loan from				
- Other	200,000	114,464	-	12,088,371
	13,194,049,823	5,534,435,843	7,284,337,004	17,593,923,230
Less: Amount disclosed under the head "other current liabilities" (Refer Note No. 11)	-	-	(7,284,337,004)	(17,593,923,230)
Total	13,194,049,823	5,534,435,843	-	-

(a) Security provided:

(i) The above loans are secured by charges on all the present and future movable and immovable assets including intangible assets, assignment of rights and benefits and charges on entire Current Assets.

(ii) The above loans further secured by joint and several irrevocable personal guarantees and shares pledged by the Promoter Directors.

(iii) first pari passu charge by way of hypothecation on the Receivables both existing and future of whatsoever nature.

(iv) Loan of ₹ 30,75,00,000/- (Refer Note No. 35.2):

(1) Securities provided

- Second charge by way of equitable mortgage/hypothecation on the entire immovable and movable fixed assets of the Holding Company on pari-passu basis.

- Personal guarantees of two Promoters Directors of the Holding Company.

(v) Loan of ₹ 1,56,79,17,689/- is secured by:

- Pledge of 49% shares of Arshiya Northern FTWZ Limited held by the Holding Company.

- Exclusive charge in favor of Capital First Limited on present and future Receivables of Arshiya Supply Chain Management Private Limited from Panvel FTWZ.

- Corporate Guarantee by the Holding Company and Arshiya Northern FTWZ Limited for the facility extended to Arshiya Supply Chain Management Private Limited.

- Personal Guarantee of Promoter Directors of the Holding Company i.e. Mr. Ajay S Mittal and Mrs. Archana A Mittal.

- Demand Promissory Note by Arshiya Supply Chain Management Private Limited.

- Second charge on the Khurja Land and all assets of Arshiya Northern FTWZ Limited.

(b) Rate of Interest:- ranges from 10% to 16.25% p.a.

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

(Amount in ₹)

Year	Banks	Others	Total
FY 2012-13	116,987,913	690,000,000	806,987,913
FY 2013-14	333,291,638	-	333,291,638
FY 2014-15	446,750,615	-	446,750,615
FY 2015-16	509,737,830	-	509,737,830
FY 2016-17	616,568,174	84,962,181	701,530,355
FY 2017-18	696,694,785	2,404,151,118	3,100,845,903
FY 2018-19	762,456,384	559,715,647	1,322,172,031
FY 2019-20	692,954,875	1,058,471,970	1,751,426,845
FY 2020-21	131,160,253	1,161,647,773	1,292,808,026
FY 2021-22	-	2,096,697,157	2,096,697,157
FY 2022-23	-	8,115,938,513	8,115,938,513
Total	4,306,602,467	16,171,584,359	20,478,186,826

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(d) Period and amounts of continuing defaults in repayment of long-term borrowings as at 31st March, 2017 are as under :

(Amount in ₹)			
Year	Banks	Others	Total
FY 2012-13	116,987,913	690,000,000	806,987,913
FY 2013-14	333,291,638	-	333,291,638
FY 2014-15	446,750,615	-	446,750,615
FY 2015-16	2,910,037,225	-	2,910,037,225
Jun-16	27,083,581	-	27,083,581
Sep-16	27,083,581	-	27,083,581
Dec-16	27,083,581	266,666,668	293,750,249
Mar-17	25,433,580	319,962,135	345,395,715
Total	3,913,751,714	1,276,628,803	5,190,380,517

(Amount in ₹)		
Particulars	As at 31st March, 2017	As at 31st March, 2016
8. Other Long-term Liabilities		
Security Deposits from Unit Holders	64,729,801	61,986,630
Settlement on Account of Derivative Contracts (Refer Note No. 38.1(ii))	265,979,229	384,999,999
Total	330,709,030	446,986,629

(Amount in ₹)		
Particulars	As at 31st March, 2017	As at 31st March, 2016
9. Short-term Borrowings		
Secured Loans		
Short-term loans from:		
- Other	62,718,476	501,000,000
Working capital facility from:		
- Banks (Refer Note No. 34 and 35.1)*	426,025,107	630,396,575
- Other (Refer Note No. 34)	105,000,000	565,410,600
Unsecured Loans from		
-Promoter Directors	6,817,471	32,794,971
- Inter Corporate Deposits	98,700,000	73,979,358
Total	699,261,054	1,803,581,504

* includes working capital recalled of ₹ 2,63,33,689/- from a Bank.

(a) Security provided

(i) The above loans are secured by charges on all the present and future movable and immovable assets including intangible assets, assignment of rights and benefits and charges on entire Current Assets.

(ii) The above loans further secured by joint and several irrevocable personal guarantees and shares pledged by the Promoter Directors.

(iii) First pari passu charge on entire current assets of a subsidiary - both present and future.

(iv) Escrow mechanism on the cash flows and receivables.

(b) Rate of Interest:- ranges from 12% to 24% p.a.

(c) ₹ 76,54,10,600/- has been restructured into Term loan (Refer Note No. 34)

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

(e) Repayment Schedule of Loans is as under:

(Amount in ₹)			
Year	Banks	Others	Total
FY 2014-15	426,025,107	-	426,025,107
FY 2016-17	-	62,718,476	62,718,476
FY 2017-18	-	185,000,000	185,000,000
Total	426,025,107	247,718,476	673,743,583

(f) Period and amounts of continuing defaults in repayment of short-term borrowings as at 31st March, 2017 are as under:

(Amount in ₹)			
Year	Banks	Others	Total
FY 2014-15	426,025,107	-	426,025,107
Apr-16	-	3,135,143	3,135,143
May-16	-	5,416,667	5,416,667
Jun-16	-	5,416,667	5,416,667
Jul-16	-	5,416,667	5,416,667
Aug-16	-	5,416,667	5,416,667
Sep-16	-	5,416,667	5,416,667
Oct-16	-	5,416,667	5,416,667
Nov-16	-	5,416,667	5,416,667
Dec-16	-	5,416,666	5,416,666
Jan-17	-	5,416,666	5,416,666
Feb-17	-	5,416,666	5,416,666
Mar-17	-	5,416,666	5,416,666
Total	426,025,107	62,718,476	488,743,583

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(Amount in ₹)	
	As at 31st March, 2017	As at 31st March, 2016
10. Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 29)	4,170,081	4,036,454
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No. 40)	155,524,485	135,956,395
Total	159,694,566	139,992,849
11. Other current liabilities		
Current maturities of long-term borrowings- Banks (Refer Note No. 6)*	4,104,986,037	11,600,227,299
Current maturities of long-term borrowings- Others (Refer Note No. 6, 11.1, 11.2 and 35.3)*	3,179,113,299	5,993,321,786
Current maturities of Vehicle loan (Refer Note No. 6 and 11.3)	237,668	374,145
Interest accrued and due on Borrowings #	4,264,683,109	10,508,337,339
Interest accrued and not due on Borrowings	104,979	-
Unclaimed dividend	4,364	4,364
Employees Dues (including full and final settlement dues of ₹ 6,35,63,753/-)	114,734,693	95,625,818
Statutory dues (Refer Note No. 36)	291,548,537	258,414,600
Trade advances received	8,033,634	9,741,025
Interest on Delayed payment of Statutory Dues (Refer Note No. 36)	131,558,658	107,346,985
Interest due on MSMED vendors (Refer Note No. 29)	144,222	20,484
Deposit received	45,007,625	30,990,714
Creditors for (Refer Note No. 40)		
- Capital expenses	855,771,424	837,829,318
- Expenses	451,090,983	178,049,929
Others	643,719	-
Total	13,447,662,951	29,620,283,806

* includes loans recalled aggregating to ₹ 3,60,55,08,490/- from Banks and ₹ 69,00,00,000/- from other.

includes interest on loans recalled aggregating to ₹ 2,55,61,28,170/- from Banks and ₹ 85,62,11,457/- from other.

11.1 ₹ 69,00,00,000/- (P.Y.: ₹ 69,00,00,000/-) is secured by first charge on land belonging to the Holding Company situated at Village Butibori at Nagpur, Maharashtra. The above loan carries interest @ 15.25% p.a. and penal interest of 4% p.a. Out of the above, ₹ 39,00,00,000/- is repayable in a single installment at the end of 3 years from the date of disbursement i.e. October 13, 2011 or on exercise of put/call option after 1 year from the date of disbursement and balance ₹ 30,00,00,000/- in single installment at the end of 3 years from the date of disbursement i.e. January 02, 2012 or on exercise of put/call option after 1 year from the date of disbursement. During the earlier year, as per the terms of sanction letter the lender has exercised call option and recalled the above loan and the said loan is overdue since 13 March, 2013.

11.2 ₹ 26,66,66,668/- (P.Y.: ₹ 26,66,66,668/-) is secured by first and exclusive charge by way of mortgage of the Holding Company's land situated at Khurja near Delhi. The above loan carries interest of 15% p.a. plus penal interest of 2% p.a. As per the Consent Terms dated 27th September, 2016. The loan is repayable on or before 15th December, 2017.

11.3 Vehicle loan is secured by way of hypothecation of vehicle. Rate of interest is @ 10.85% p.a.

11.4 Details of continuing default in payment of interest on secured loans as on 31st March, 2017 are as follows:

Year	(Amount in ₹)		
	Banks	Others	Total
FY 2012-13	48,397,512	36,997,844	85,395,356
FY 2013-14	700,375,691	141,266,271	841,641,962
FY 2014-15	658,603,532	182,704,021	841,307,553
FY 2015-16	872,194,951	221,810,568	1,094,005,519
Apr-16	78,248,817	20,809,061	99,057,878
May-16	81,770,793	21,732,418	103,503,211
Jun-16	80,057,177	22,359,424	102,416,601
Jul-16	83,660,843	23,110,992	106,771,835
Aug-16	84,638,180	23,568,434	108,206,614
Sep-16	82,864,931	23,922,620	106,787,551
Oct-16	86,595,446	24,372,798	110,968,244
Nov-16	84,781,499	24,737,680	109,519,179
Dec-16	88,575,068	48,536,811	137,111,879
Jan-17	89,582,196	25,629,438	115,211,634
Feb-17	81,859,083	25,908,498	107,767,581
Mar-17	91,581,894	38,438,545	130,020,439
Total	3,293,787,613	905,905,423	4,199,693,036

Particulars	(Amount in ₹)			
	Non-current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
12. Provisions				
Employee benefits (Refer Note No. 43)				
Provision for Gratuity*	5,556,339	2,891,474	525,921	-
Provision for Leave Encashment	7,563,852	6,858,682	1,653,294	1,664,005
Mark to Market on derivative contracts	-	-	162,193,708	184,848,292
Provision for tax	-	-	7,550,000	9,055,000
Total	13,120,191	9,750,156	171,922,923	195,567,297

* Excluding Gratuity balances of ₹ 12,10,905/- presented as Loans and advances. (Refer Note No. 14)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Description of Assets	Gross Block					Depreciation/Amortization			Net Block	
	As at 1st April, 2016	Additions	Revaluation Reserve	Deductions/Adjustments	As at 31st March 2017	As at 1st April, 2016	For the year	Deductions/Adjustments	As at 31st March 2017	As at 31st March 2016
a) Tangibles										
Freehold Land*	15,139,892,159	326,651,766	-	-	15,466,543,925	739,204,746	196,914,603	-	936,119,349	15,466,543,925
Buildings	12,433,884,719	-	-	-	12,433,884,719	347,262,349	115,450,409	-	462,712,758	11,497,765,370
Railway Terminal Leasehold	1,775,656,799	-	-	-	1,775,656,799	-	-	-	-	1,428,394,450
Improvements	79,277,061	-	-	-	79,277,061	75,940,552	1,823,268	-	77,763,820	3,336,509
Plant and Machinery	4,991,482,379	13,118,195	-	44,410,800	4,960,189,774	1,419,363,340	345,036,431	9,953,800	1,754,445,971	3,572,119,039
Computers	134,124,383	78,500	-	-	134,202,883	110,111,193	8,554,985	-	118,666,178	15,536,705
Equipments	592,359,378	3,572,666	-	-	595,932,044	356,851,538	93,675,281	-	450,526,819	235,507,840
Vehicles #	20,971,148	-	-	-	20,971,148	11,264,566	2,554,453	-	13,819,019	9,706,582
Furniture and Fixtures	296,863,199	182,896	-	-	297,046,095	111,840,105	30,445,849	-	142,285,954	185,023,094
Total	35,464,511,225	343,604,023	-	44,410,800	35,763,704,448	3,171,838,389	794,455,279	9,953,800	3,956,339,868	31,807,364,580
Previous year	32,520,525,286	3,706,759,181	-	762,773,242	35,464,511,225	2,426,862,290	824,681,932	79,705,833	3,171,838,389	32,292,672,836
b) Intangibles										
Softwares	474,281,351	-	-	-	474,281,351	370,593,250	44,830,972	-	415,424,222	58,857,129
Trade Marks	233,700	-	-	-	233,700	184,680	20,309	-	204,989	28,711
Rail Licence Fee	500,000,000	-	-	-	500,000,000	179,166,666	25,000,000	-	204,166,666	295,833,334
Goodwill on consolidation \$	59,898,246	-	-	53,497,332	6,400,914	59,898,246	69,851,281	53,497,332	6,400,914	-
Previous year	1,034,413,297	-	-	1,903,612	980,915,965	609,842,842	91,338,372	1,808,431	626,196,791	354,719,174
	1,036,316,909	-	-	-	1,034,413,297	520,312,901	-	-	609,842,842	424,570,455
Total (a+b)	36,499,924,522	343,604,023	-	97,908,132	36,744,620,413	3,781,681,231	864,306,560	63,451,132	4,582,536,659	32,162,083,754
Previous Year Total	33,556,842,195	3,706,759,181	-	764,676,854	36,498,924,522	2,947,175,191	916,020,304	81,514,264	3,781,681,231	32,717,243,291

Notes:
 *a. Freehold Land: includes of ₹ 97,35,11,038/- (₹ 97,35,11,038/-) situated at Nagpur, which is under possession of a Lender as per the Order of Hon'ble High Court of Bombay dated 9th May, 2013.
 # b. Gross block includes cost of vehicles taken on finance lease ₹ 19,27,408/- (P.Y. ₹ 19,27,408/-).
 c. The Board of Directors at their meeting held on 28th March, 2014, based on valuation report from an approved valuer revalued the land to reflect its current Market Value. Accordingly, based on the said valuation the difference between the current Market Value of Land and a Land development charges of ₹12,60,66,59,937/- over its book value of ₹6,25,27,59,967/- amounting to ₹6,35,39,19,970/- was credited to "Revaluation Reserve" in F.Y. 2013-14. During the previous year the Company had sold certain parcels of land located at Khurja and Nagpur of book value of ₹ 32,61,13,702/- which were revalued at ₹ 39,20,43,298/-. The difference between book value and revalued amount of ₹ 5,59,29,596/- was adjusted to Revaluation Reserve (Refer Note No. 5).

d. Refer Note No. 37 relating to Component Accounting.
 \$e. Reflects adjustment of goodwill relating to sale of investment in Arshiya Hongkong Limited.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(Amount in ₹)			
	Non-current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
14. Loans and advances (Unsecured)				
Capital advances				
- Considered Good	91,606,090	537,249,708	-	-
- Considered Doubtful	139,500,000	-	-	-
	231,106,090	537,249,708	-	-
Less : Provision for doubtful advance	(139,500,000)	-	-	-
	91,606,090	537,249,708	-	-
Security deposits	8,607,738	15,890,442	9,499,702	263,560
Others				
Advance recoverable in cash or kind	-	67,179,537	8,615,349	8,557,228
Balances with Government authorities				
- Tax Deducted at Source	228,276,914	190,385,067	-	59,279,112
- Indirect Tax refund receivable (Refer Note No. 42)	-	-	336,158,839	333,058,817
- Service Tax paid under protest	386,592	-	-	-
Prepaid expenses	-	-	3,929,026	4,378,265
Staff advances	-	-	2,006,998	1,109,051
Gratuity balances (Refer Note No. 12)	908,607	-	302,298	-
Other Advances (Refer Note No. 39)	-	-	51,498,159	7,983,672
Total	329,785,941	810,704,754	412,010,371	414,629,705
15. Other assets				
Interest receivable on fixed deposits	-	-	2,211,525	476,842
Margin money deposits with banks having original maturity period of more than 12 months (Refer Note No. 18)	-	4,172,979	-	-
Total	-	4,172,979	2,211,525	476,842

Particulars	(Amount in ₹)	
	As at 31st March, 2017	As at 31st March, 2016
16. Inventories		
Stores and Spares	1,572,952	16,040,647
Total	1,572,952	16,040,647
17. Trade receivables		
Debts outstanding for a period exceeding six months		
Considered good	26,557,176	34,941,710
Considered doubtful	2,994,871	4,735,331
	29,552,047	39,677,041
Less: Provision for doubtful debts	2,994,871	4,735,331
	26,557,176	34,941,710
Other debts	224,527,685	197,907,391
Total	251,084,861	232,849,101

Particulars	(Amount in ₹)			
	Non-current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
18. Cash and cash equivalents				
Balances with banks	-	-	31,232,093	95,879,588
Cash on hand (Refer Note No. 55)	-	-	2,061,318	261,577
	-	-	33,293,411	96,141,165
Other bank balances				
Balance with bank relating to unpaid dividend	-	-	4,364	4,364
Margin money deposit (pledged against bank guarantee)	-	-	-	548,697
Margin money deposits with banks having original maturity period of more than 12 months	-	4,172,979	49,713,478	20,242,502
	-	4,172,979	49,717,842	20,795,563
Less: Amount of deposits disclosed under other non-current assets (Refer Note No. 15)	-	(4,172,979)	-	-
Total	-	-	83,011,253	116,936,728

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
19. Revenue from operations		
Revenue from sale of services:		
- Rail freight and related services	1,545,037,678	1,975,854,641
- Free Trade and Warehousing Zone operations/ICD	1,132,575,744	1,111,177,876
Total	2,677,613,422	3,087,032,517
20. Other income		
Interest income		
- Fixed Deposits	3,323,557	3,253,355
- Others	10,951,969	1,691,582
Profit on redemption of units of mutual funds	-	-
Foreign exchange gain (Net)	-	3,325,928
Provision for doubtful debts written back	1,740,460	-
Excess provisions written back	84,313	3,786,801
Miscellaneous income	145,215	4,951,265
Total	16,245,514	17,008,931
21. Cost of operations		
Rail freight and other operating charges	1,404,003,295	1,759,918,587
Free Trade and Warehousing Zone operations	179,943,249	191,630,548
Total	1,583,946,544	1,951,549,135
22. Employee benefits expense		
Salary, bonus and others allowances	338,383,564	303,378,147
Contribution to provident and other funds	6,999,823	9,123,610
Staff welfare expenses	8,336,618	6,416,837
Total	353,720,005	318,918,594
23. Finance costs		
Interest expense:		
- on Borrowings (Refer Note No. 35)	2,855,276,743	3,381,416,166
- on delayed payment of TDS	53,990,154	40,010,213
- on MSMED Vendors	144,222	20,484
Other borrowing costs	5,052,084	10,754,199
Total	2,914,463,203	3,432,201,062
24. Other expenses		
Electricity charges	27,508,374	27,241,547
Rent	46,613,190	34,827,839
Repairs and Maintenance:		
- Building	42,571,595	20,191,217
- Plant and Machinery	6,046,585	11,158,865
- Others	7,943,100	5,144,311
Insurance	5,381,704	5,947,673
Rates and Taxes	1,139,226	1,393,160
Communication expenses	8,556,566	6,234,977
Travelling and Conveyance expenses	45,652,981	35,943,134
Vehicle expenses	9,264,267	9,279,402
Printing and Stationery	4,059,041	3,973,387
Legal and Professional fees	45,666,481	38,427,447
Security charges	35,259,496	32,604,912
Auditor's remuneration (Refer Note No. 51)	10,196,004	8,887,282
Advertisement and Business Promotion expenses	12,163,359	6,441,657
Provision for doubtful debts	-	3,500,000
Foreing exchange loss (net)	1,185,551	-
Miscellaneous expenses	20,426,694	19,614,181
Total	329,634,214	270,810,991

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

25 Contingent Liabilities not provided for in respect of:

(Amount in ₹)

S. No.	Particulars	As at 31st March 2017	As at 31st March 2016
(a)	Disputed Income Tax Demands	610,930,555	33,128,826
(b)	Disputed Sales Tax demands	9,274,193	9,274,193
(c)	Disputed Service Tax demand	5,154,536	-
(d)	Disputed Local Body Tax demand	16,033,355	16,033,355
(e)	Claims against the group not acknowledged as debts	577,083,000	602,152,442
(f)	Custom duty on pending export obligation against import of capital goods.	175,132,168	201,745,432
(g)	Guarantees given on behalf of subsidiaries towards loans availed by them. The Outstanding balances of such loans against such guarantees aggregating to ₹14,16,21,14,867/- (P.Y. ₹ 14,58,09,61,506/-)	15,443,943,237	17,499,719,332
(h)	Bank Guarantees/Custodian cum Carrier Bond	5,795,420,605	17,300,000

26 Corporate Guarantee

(i) With respect to two subsidiaries, the Lead Bank (Bank), on behalf of certain Consortium Banks of those subsidiaries, has initiated debt recovery action under Section 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) vide notice dated 14th October, 2015 aggregating to ₹ 3,22,23,46,819/- (being dues from Arshiya Northern FTWZ Limited) (reduced to ₹ 1,74,50,62,772/- after the Restructuring Agreement (RA) is signed with Edelweiss Asset Restruction Company Limited (EARC) on 31st March, 2017) and notice dated 19th October, 2015 aggregating to ₹ 5,86,57,51,992/- (being dues from Arshiya Industrial & Distribution Hub Limited) (reduced to ₹ 2,93,69,94,758/- after the RA is signed with EARC on 31st March, 2017) (the Subsidiaries of the Company). The Bank has also invoked the Corporate Guarantee issued by the Promoter Company, Arshiya Limited and personal guarantees of Promoter Directors i.e. Mr. Ajay S Mittal and Mrs. Archana A Mittal. Further on 19th January, 2016 the Company received a Notice of possession from the Authorized Officer of the Bank under power conferred on the Bank u/s 13(4) of the said Act read with Rule 8(i) of the Rules.

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

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

(a) at this juncture there is no obligation which is expected to result in an outflow of the resources from the Holding Company and hence not provided for

(b) Disclosure of the Corporate Guarantees issued by the Holding Company to the Consortium Banks on behalf of its subsidiaries under the head Contingent Liabilities not provided for in respect of Guarantees given, is adequate.

27 The Consolidated Financial Statements include the Management Accounts of four foreign subsidiaries (subsidiaries for the period ended 21st March, 2017) which have been prepared in accordance with Generally Accepted Accounting Principles prevailing in the respective countries of incorporation. The Management is of the view that the difference on account of deviation, if any, in their accounting policies vis-a-vis those of the Holding Company are not material.

28 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital and other account and not provided for (net of advances paid) are ₹ 6,94,10,941/- (P.Y. ₹ 22,00,72,513/-).

29 Details of dues to Micro, Small And Medium Enterprises as per MSMED Act, 2006

(Amount in ₹)

Sr. No.	Description	As at 31st March 2017	As at 31st March 2016
a)	Principal amount due and remaining unpaid	4,170,081	4,036,454
b)	Interest due on above	144,222	20,484
c)	Payment made beyond the appointed day during the year	-	-
d)	Interest paid	-	-
e)	Interest due and payable for the period of delay	-	-
f)	Interest accrued and remaining unpaid	144,222	20,484
g)	Amount of further interest remaining due and payable in succeeding years	-	-

Note:Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Group and relied upon by the Auditors.

30 In the opinion of the Management, Current Assets, Loans and Advances and Current Liabilities are approximately of the value stated, if realized/paid in the ordinary course of business. The provisions for depreciation and all known liabilities are adequate and are not in excess of the amounts considered reasonably necessary.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

31 Details of Exceptional items are as under:

(Amount in ₹)

Sr. No.	Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
(a)	Bad debts written off	6,905,089	22,577,093
(b)	Loss on sale of assets	-	81,441,143
(c)	Mark to Market (gain)/losses (Refer Note No. 38.1(i))	(23,339,585)	204,190,694
(d)	Recovery of excess remuneration from Whole Time Director (Refer Note No. 39(ii))	(8,352,000)	-
(e)	Recovery of bad debts/expenses	(3,800,000)	(8,085,788)
(f)	Excess provision written back	(3,931,300)	(3,307,581)
(g)	Fixed assets/ other assets written off	48,829,114	1,958,313,690
(h)	Corporate debt revival and advisory fees	255,000,000	20,000,000
(i)	Reconciliation of loan account with EARC (Net)	686,416,638	-
(j)	Irrecoverable advance written off	13,954,082	31,913,716
(k)	Sundry balance written back (net)	(5,757,551)	(113,390,033)
(l)	Provision for interest on statutory dues written back	(23,207,965)	(6,478,231)
(m)	Settlement of claims (Refer Note No. 35.2 and 35.3)	(605,856,665)	43,193,275
(n)	Compensation for shares invoked by lender (Refer Note No. 52)	65,930,099	-
(o)	Loss on sale of subsidiaries	27,399,179	-
(p)	Provision for doubtful advance	139,500,000	-
	Exceptional items (net)	569,689,136	2,230,367,978

32 Preparation of financial statements on "Going Concern" basis

The financial statements of the Group have been prepared on a "Going Concern" basis in view of the Revival plans referred to in Note No. 33.

33 Revival Plans

The Management of the Group is restructuring its business operations as also those of its subsidiaries in which it has substantial investments, by -

- monetization of assets so as to reduce debt and meet pressing creditors requirement,
- considering GST implementation, e-commerce business, increasing private freight terminal operations and the plan of the Group to enter into domestic warehousing, substantial business growth is envisaged over the years.
- expanding the business volumes by changing product mix,
- entering into long term business agreements with various leading global shipping lines,
- further improvement of the Inland Container Depot (ICD) operations at Khurja,
- obtaining clarity and resolution of the regulatory issues.

The above steps shall enable the Group's ability to generate cash flows to discharge the debts/liabilities in future.

34 Secured Lenders:

34.1 Re-structuring of loans assigned by Lenders to Edelweiss Asset Reconstruction Company Limited (EARC) (Lender on behalf of the various EARC Trusts), which was approved by the Board of Directors at their meeting held on 30th March, 2017:

Various Lenders of the Group, comprising of 15 banks have assigned their Term loans and working capital loans (loans) to EARC (as trustee of EARC Trusts). Post assignment of loans, EARC has become secured lender of the Group and right, title and interest of the lenders have vested into EARC. As per restructuring package approved by the EARC, loans so assigned as on 31st March 2017, have been restructured.

Pursuant to the assignment of such loans, and in terms of the restructuring package approved by EARC for the loans so assigned, the Group has executed Restructuring Agreements (RA) with EARC, on behalf of EARC Trusts on 31st March 2017. Under the Agreement, the loans assigned to EARC aggregating to ₹ 26,00,00,00,000/-:

- (i) Stand restructured, merged and converted into Restructured Loans aggregating to ₹ 13,38,00,00,000/- and
- (ii) the balance debt of ₹12,62,00,00,000/-, includes loan to be converted into Equity and Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS). Accordingly the Holding Company shall issue to EARC, upto 3,21,62,304 equity shares. After adjustment of the amount to the extent of equity, the Holding Company shall issue 1,07,43,329 Zero Percent OCRPS (Series I/Series II/Series III/Series IV) of face value of ₹ 10/- each at a price of ₹ 1,000/- each (which includes premium of ₹ 990/-) to EARC, after due process/applicable statutory compliances towards issue of shares.

The above stated OCRPS shall carry a right of conversion into equity shares of the Holding Company. On conversion, the entire amount of OCRPS shall be adjusted against the allotment of upto 2,73,97,516 equity shares of the Holding Company to EARC.

The current outstanding of above restructured loan as on 31st March, 2017 is ₹ 13,30,00,00,000/-.

34.2 Since the RA is binding on both parties, the amounts representing the share capital portion of "Equity shares" and "Zero Percent OCRPS" and premium amounts as referred to in 34.1 (ii) aggregating to ₹12,62,00,00,000/- have been presented as "Debt Convertible into Equity Shares and Zero Percent Optionally Convertible Redeemable Preference Shares" between Shareholder's Fund and Non-Current Liabilities pending due process/applicable statutory compliances.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

35.1 Secured Lenders (Banks) excluding loans assigned to Asset Reconstruction Company (ARC):

The Banks revoked the CDR package approved by them due to Group not being able to fulfill the terms of the CDR package. Accordingly the Banks are entitled to exercise rights and remedies available under the original loan documents. In the absence of any communication from these banks, the Group has not provided for additional interest from CDR cut-off date till 31st March, 2017 estimated at ₹ 95,43,20,560/- which arises on account of difference between interest rates as approved under CDR package and interest rate decided as per the original sanctioned terms and penal interest on overdue amounts of interest and installments. Had the Group provided for this interest in the current year, the Loss before tax for the year would have been higher by ₹ 95,43,20,560/-. Upon reconciliation and finalization of the estimated entitlements of these Banks, the Group shall recognize the liability in the books during the period in which finality is reached.

35.2 A Bank had assigned its loan to EARC aggregating to ₹ 87,07,68,625/- (being principle ₹ 49,50,00,000/- and interest ₹ 37,57,68,625/-) on the same terms and conditions as per the original financing documents. The EARC and the Holding Company had filed Consent terms (CT) on 18th December, 2015 in relation to "Winding up Proceedings" with the Hon'ble Bombay High Court.

On the basis of the CT, the Holding Company is required to pay ₹ 31,20,00,000/- towards full and final payment of the amount due and payable to the EARC subject to the Holding Company complying with the "Schedule of Payments" referred to in the CT as per which the entire amount of ₹ 31,20,00,000/- ought to be paid before 31st December, 2020.

However, the Holding Company has not paid a sum of ₹ 75,00,000/- due on 31st March, 2017. Hence, as per clause 13 of the CT, the entire debt of the settlement of dues shall become payable along with interest as per transaction documents till the realization of the debt.

Since the Holding Company is confident of obtaining a revised "Schedule of Payments" such that there will be no default, the Holding Company has written back a sum of ₹ 55,87,68,625/- (including interest ₹ 37,57,68,625/- upto the date of assignment) in the Consolidated Statement of Profit and Loss on the assumption that it will honour the revised schedule of payments. Accordingly, the Holding Company has classified the balance loan of ₹ 30,75,00,000/- as Long Term Borrowing of ₹ 26,50,00,000/- and Other Current Liabilities of ₹ 4,25,00,000/-.

Based on assumption of obtaining a revised "Schedule of Payments", the Holding Company has not provided for interest of ₹ 20,29,08,631/- on the loan assigned to EARC from the date of assignment.

Had the Holding Company not written back dues of ₹ 55,87,68,625/- and provided for interest of ₹ 20,29,08,631/- in the current year, the loss before tax for the year would have been higher by ₹ 76,16,77,256/-.

35.3 A Non-Banking Financial Company (NBFC) and the Holding Company had filed Consent Terms (CT) on 27th September, 2016 with the Hon'ble Bombay High Court for settlement of dues aggregating to ₹ 47,19,59,475/- (including interest of ₹ 20,52,92,807/-).

On the basis of the CT, the Holding Company is required to pay ₹ 30,00,00,000/- towards full and final payment of the amount due and payable to the NBFC subject to the Holding Company complying with the "Schedule of Payments" referred to in the CT as per which the entire amount of ₹ 30,00,00,000/- ought to be paid on or before 31st December, 2017.

However, the Holding Company has not paid a sum of ₹ 10,00,00,000/- due up to 31st March, 2017. Hence, as per clause 10 of the CT, the entire debt of the settlement of dues shall become payable along with interest as per transaction documents till the realization of the debt.

The Holding Company is confident of obtaining a revised "Schedule of Payments" such that there will be no default.

Accordingly, the Holding Company has written back interest of ₹ 17,19,59,475/- in the Consolidated Statement of Profit and Loss on the assumption that it will honour the revised schedule of payments.

Based on assumption of obtaining a revised "Schedule of Payments", the Holding Company has not provided for interest of ₹ 6,18,60,443/- on the loan from the date of CT.

Had the Holding Company not written back ₹ 17,19,59,475/- and provided for interest of ₹ 6,18,60,443/-, the loss before tax for the year would have been higher by ₹ 23,38,19,918/-.

36 Tax Deducted at Source

- (i) The Group had deducted Income Tax at Source (TDS) aggregating to ₹ 11,50,63,742/- during the current year and earlier years from amounts payable to various parties. The Group has not paid the said TDS to the government on the 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 Group has transferred an amount of ₹ 11,50,63,742/- back to the respective parties.
- (ii) The Group has written back an aggregate amount of ₹ 2,32,07,965/- representing interest on unpaid tax deducted at source provided in earlier years on the premise that since the corresponding tax deducted is assumed to be not payable as mentioned in Note no. (i) above, interest thereon is also assumed to be not payable.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

37 Fixed Assets and Depreciation

In the opinion of the Management, the Group's assets are such that there are no significant parts of thereof whose life is different than the useful life of the whole asset (Component accounting being a technical matter, the opinion of the Management is relied upon by the Auditors). Consequently, the Group has continued to provide depreciation in respect of all its assets on the basis as was followed in the financial year 2014-15, i.e. based on useful lives of the respective assets.

38 Mark to Market Losses (MTM)**38.1 Axis Bank**

(i) The Holding Company had entered into an INR to USD Principal only Swap contract with Axis Bank Limited on 30th September, 2015, with the maturity date being 30th September, 2020 for a notional amount of ₹2,50,00,00,000/- (USD 3,80,74,931/-). During the previous year, the Holding Company had provided an amount of ₹2,26,54,585/- in respect of MTM losses based on determination of fair market value of derivatives entered into by the Company. During the year, the Holding Company has terminated the said Principal only Swap contract on 23rd March, 2017 for an agreed consideration of ₹6,85,000/-. Hence, the Holding Company has recognised a gain of ₹ 2,33,39,585/- which is disclosed as an "Exceptional Item".

(ii) The Holding Company has terminated the cross currency swap derivative contract with Axis Bank Limited on 30th September, 2015 for an agreed value of ₹ 42,00,00,000/- of which the balance as on 31st March, 2017 is ₹ 26,59,79,229/-.

38.2 Kotak Mahindra Bank Limited

In respect of derivative contracts entered into by the Holding Company with ING Vysya Bank (now amalgamated with Kotak Mahindra Bank Limited w.e.f. 1st April, 2015), the bank had prematurely terminated the contracts and had demanded termination and liquidation fees aggregating to ₹28,75,00,000/-, which are disputed by the Holding Company and hence not provided for.

39 Other Advances

(i) Other Advances ₹61,66,529/- as on 31st March, 2017 comprising of cash seized by the Income Tax department from the Group at the time of search on 13th June, 2014, as detailed below:

Name of the Company	Amount in ₹
Arshiya Limited	3,101,229
Arshiya Supply Chain Management Private Limited	1,065,300
Arshiya Rail Infrastructure Limited	2,000,000
Total	6,166,529

(ii) **Remuneration of ₹ 1,14,82,000/- paid/provided to the Executive Director for F.Y. 2013-14:**

The Holding Company had applied for waiver of recovery of excess remuneration of ₹ 83,52,000/- paid to its Whole Time Director (Director) in the earlier year, which was rejected by the Ministry of Corporate Affairs vide their letter dated 2nd June, 2016. In view of the same, after recovering/adjusting amount payable to the Director, the Company is in the process of recovering the balance amount of ₹ 42,10,097/- as on 31st March, 2017. Further the Holding Company has since recovered a sum of ₹ 5,00,000/- on 5th May, 2017.

40 Proceedings against Group

Certain Lenders and Creditors have filed winding up petitions/cases/other legal proceedings against the Group and its Directors for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. Claims by the said lenders and creditors have been contested by the Group in those proceedings and not acknowledged as debts. The financial implication of such claims will be recognized as and when finality in the matter is reached.

41 During the year, Arshiya Rail Infrastructure Limited has filed an application, for the merger of Arshiya Industrial & Distribution Hub Limited and Arshiya Transport and Handling Limited with Arshiya Rail Infrastructure Limited, with the National Company Law Tribunal (NCLT). The impact of this proposed merger will be recognized on receipt of the Order from the NCLT.

42 Indirect Tax Refund Receivable

(i) As per the Notification dated 16th May, 2013, issued by the government of Maharashtra, MVAT exemption/refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Holding Company has claimed refund of ₹ 16,84,56,227/- in respect of transactions prior to record date, as the Holding Company is of the view that the state government has exempted it from local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra.

The Holding Company has filed a writ petition in the High Court of Bombay challenging the constitutional validity of MVAT on various grounds and has claimed refund of ₹16,84,56,227/-. The petition has been admitted and issues are framed and further hearing and final disposal is pending.

Accordingly, these Consolidated financial statements reflect a sum of ₹16,84,56,227/- as refund receivable on account of MVAT. In case the refunds not granted, the necessary adjustment entries shall be recorded in the year in which finality is reached.

(ii) Refunds receivable in respect of VAT, Service Tax, Local Entry Tax and Service Tax for which appeals are pending with respective Appellate Authorities. The Management is of the view that the refunds claimed as above aggregating to ₹ 3,55,05,623 are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds.

The Management is of the view that the refunds claimed as above are considered good for recovery.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

a. Brief descriptions of the plans

The Group's defined contribution plans are Provident Fund and Employees State Insurance where the Group has no further obligation beyond making the contributions. The Group's defined benefit plans include gratuity. The employees are also entitled to leave encashment as per the Group's policy.

b. Defined benefit plan – Gratuity:

Particulars	(Amount in ₹)	
	31st March 2017	31st March 2016
I. Actuarial assumptions		
Discount rate	6.90%	7.55%
Rate of return on plan assets	6.90%	7.55%
Salary Escalation Rate	7.00%	7.00%
Attrition rate	15.00%	15.00%
II. Change in defined benefit obligations		
Liability at the beginning of the year	14,261,229	11,627,468
Interest cost	1,003,307	868,466
Current service cost	3,956,736	3,383,703
Benefits paid	(1,944,808)	(986,538)
Actuarial (gain)/loss on obligations	(97,348)	(631,870)
Liability at the end of the year	17,179,116	14,261,229
III. Fair value of plan assets		
Fair value of plan assets at the beginning of the year	11,369,755	10,479,642
Expected return on plan assets	858,416	943,167
Actual Enterprise's Contributions	1,944,808	986,538
Benefits paid	(1,944,808)	(986,538)
Actuarial gain/(loss) on plan assets	79,590	(53,054)
Fair value of plan assets at the end of the year	12,307,761	11,369,755
IV. Actual return on plan assets		
Expected return on plan assets	858,416	943,167
Actuarial gain/(loss) on plan assets	79,590	(53,054)
Actual return on plan assets	938,006	890,113
V. Liability recognised in the Balance Sheet		
Liability at the end of the year	17,179,116	14,261,229
Fair value of plan assets at the end of the year	12,307,761	11,369,755
Liability recognised in the Balance Sheet	4,871,355	2,891,474
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VII. Expenses recognised in the Statement of Profit and Loss		
Current service cost	3,956,736	3,383,703
Interest cost	1,003,307	868,466
Expected return on plan assets	(858,416)	(943,167)
Net actuarial (gain)/loss to be on obligation	(176,938)	(578,816)
Net actuarial (gain)/loss to be on obligation	3,924,689	2,730,186
VIII. Balance Sheet reconciliation		
Opening net liability	2,891,474	1,147,826
Expenses as above	3,924,689	2,730,186
Actual Employer Contribution	(1,944,808)	(986,538)
Closing net liability	4,871,355	2,891,474
IX. Expected employers contribution in next year		
As per actuarial valuation report	2,812,657	1,980,912

c. Leave Encashment:

Particulars	(Amount in ₹)	
	31st March 2017	31st March 2016
I. Actuarial assumptions		
Discount rate	6.90%	7.55%
Future salary rise	7.00%	7.00%
Attrition rate	15.00%	15.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

II. Change in defined benefit obligations		
Liability at the beginning of the year	8,522,687	8,117,367
Interest cost	544,236	521,219
Current service cost	2,813,285	2,501,189
Benefits paid	(2,628,541)	(2,870,138)
Actuarial (gain)/loss on obligations	(34,521)	253,050
Liability at the end of the year	9,217,146	8,522,687
III. Liability recognised in the Balance Sheet		
Current Liability at the end of the year	1,653,294	1,664,005
Non Current Liability at the end of the year	7,563,852	6,858,682
Liability recognised in the Balance Sheet	9,217,146	8,522,687
IV. Expenses recognised in the Statement of Profit and Loss		
Current service cost	2,813,285	2,501,189
Interest cost	544,236	521,219
Net actuarial (gain)/loss	(34,521)	253,050
Expense recognised in Statement of Profit and Loss	3,323,000	3,275,458
V. Balance Sheet reconciliation		
Opening net liability	8,522,687	8,117,367
Expenses as above	3,323,000	3,275,458
Benefits Paid	(2,628,541)	(2,870,138)
Closing net liability	9,217,146	8,522,687

44 Disclosure pursuant to Accounting Standard 17 - Segment Information

Primary Segment Information

The Group operates in two primary reportable business segments, i.e. "Free Trade and Warehousing Zone/Inland Container Depot" and "Rail Transport Operations" and one geographical segment i.e. India as per Accounting Standard 17 - "Segment Reporting".

(Amount in ₹)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Segment Revenue		
External Sales		
FTWZ/ICD	1,132,575,744	1,111,177,876
Rail Transport Operations	1,545,037,678	1,975,854,641
Unallocated		
Total External Sales	2,677,613,422	3,087,032,517
Other Income		
FTWZ/ICD	9,736,077	13,544,405
Rail Transport Operations	6,509,438	3,462,385
Unallocated	-	2,141
Total Other Income	16,245,515	17,008,931
Total Revenue	2,693,858,937	3,104,041,448
Segment Result		
FTWZ/ICD	(55,648,254)	355,142,469
Rail Transport Operations	(380,484,714)	(271,100,785)
Unallocated	(1,615,419)	(437,299,260)
Total Segment Result	(437,748,387)	(353,257,576)
Less: Interest Expenses	2,914,463,203	3,432,201,062
Less: Exceptional Item	569,689,136	2,230,367,978
Less: Prior Period Item	4,532,780	(10,288,660)
Tax Expenses	262,758	31,987,695
Loss after tax	(3,926,696,264)	(6,037,525,651)
Other Information		
Segment Assets		
FTWZ/ICD	20,142,138,822	20,505,414,886
Rail Transport Operations	5,674,564,387	6,023,717,952
Unallocated	21,910,829,468	21,519,218,969
Total Segment Assets	47,727,532,677	48,048,351,807
Less: Eliminations	14,485,772,020	13,735,297,760
Total Assets	33,241,760,657	34,313,054,047
Segment Liabilities		
FTWZ/ICD	3,907,420,313	5,006,318,432
Rail Transport Operations	1,196,437,164	2,304,560,644
Unallocated	2,423,881,091	6,664,837,048
Total Segment Liabilities	7,527,738,568	13,975,716,124
Less: Eliminations	688,728,244	1,156,684,472
Total Liabilities	6,839,010,324	12,819,031,652

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

List of entities where control exists

The list of subsidiary companies is disclosed in Note No. 2 (e).

Key management personnel

Mr. Ajay S Mittal – Chairman and Managing Director

Mrs. Archana A Mittal – Joint Managing Director

Mr. Subhrarabinda Birabar – Chief Executive Officer (Resigned on 17/03/2016)

Mr. Ranjit Ray – Chief Executive Officer of Rail Operations (Resigned on 17/11/2016)

Ms. Savita Dalal – Company Secretary of Arshiya Limited (w.e.f. 10/07/2015)

Mr. Sanjay Sukhram Lakkhan - Company Secretary of Arshiya Industrial & Distribution Hub Limited (w.e.f. 07/09/2016)

Mr. V. L. Ganesh – Chief Financial Officer of Arshiya Limited (w.e.f. 10/07/2015 to Resigned on 19/02/2016)

Mr. S. Maheshwari - Chief Financial Officer of Arshiya Limited (w.e.f. 08/02/2017)

Mr. Navnit Choudhary - Chief Financial Officer of Arshiya Northern FTWZ Limited (w.e.f. 08/02/2017)

Mr. Dinesh kumar Sodani - Chief Financial Officer of Arshiya Rail Infrastructure Limited (w.e.f. 08/02/2017)

Mr. Mukesh Katuria - Chief Financial Officer of Arshiya Industrial & Distribution Hub Limited (w.e.f. 08/02/2017)

Relative of Key Management Personnel

Mr. Ananya Mittal – Corporate Strategy Officer

Enterprise owned or significantly influenced by key management personnel or their relatives

Rudradev Properties Private Limited

Flat World Processes Private Limited

Note:

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

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

Nature of transaction	Name of the Party	(Amount in ₹)	
		31st March 2017	31st March 2016
Remuneration	Mr. Ananya Mittal	2,567,628	1,945,460
	Mr. Subhrarabinda Birabar	-	11,319,042
	Mr. V. L. Ganesh	-	4,823,337
	Mr. Ranjit Ray	8,544,262	10,377,322
	Mr. S. Maheshwari	2,499,884	-
	Mr. Navnit Choudhary	812,114	-
	Mr. Dinesh Kumar Sodani	683,282	-
	Mr. Mukesh Katuria	726,297	-
	Ms. Savita Dalal	1,253,596	820,937
	Mr. Sanjay Sukhram Lakkhan	151,621	-
Sundry Balance written off	Flat World Processes Private Limited	1,200,000	-
Loans and Advances taken	Mrs. Archana A Mittal	158,780,799	534,830,288
	Rudradev Properties Private Limited	300,000	-
Loans and Advances given	Flat World Processes Private Limited	1,200,000	-
Investments purchased from	Mr. Ajay S Mittal	27,500	-
	Mrs. Archana A Mittal	1,457,500	-
Investments sold to	Rudradev Properties Private Limited	400,000	-
Loans and Advances taken repaid/adjusted	Mr. Ajay S Mittal	3,750	27,633
	Mrs. Archana A Mittal	186,239,549	109,921,577
	Rudradev Properties Private Limited	100,000	-
Conversion of Loans into Equity	Mrs. Archana A Mittal	-	419,750,000
Outstanding balances			
Loans and Advances taken	Mr. Ajay S Mittal	27,500	3,750
	Mrs. Archana A Mittal	6,789,971	32,791,222
	Rudradev Properties Private Limited	200,000	-

46 Disclosure pursuant to Accounting Standard 19 – Leases:

(a) Finance Lease:

The Holding Company has acquired vehicles under finance lease. Details of lease rentals payable are as follows:

Particulars	(Amount in ₹)	
	Not later than one year	Later than one year but not later than five years
Minimum lease payment	246,34	-
	(422,304)	(246,344)
Less: Finance charges payable in future	8,67	-
	(48,159)	(8,676)
Present value of the lease rentals	237,66	-
	(374,145)	(237,668)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Operating Lease:

(Amount in ₹)

Particulars	Not later than one year	Later than one year but not later than five years
Future Lease payment	22,051,200 (-)	49,972,800 (-)

47 Earnings per share:

Particulars	31st March 2017	31st March 2016
Loss for the year (Amount in ₹)	(3,926,696,264)	(6,037,525,651)
Weighted average number of equity shares (Number)	156,179,472	141,916,658
Nominal value per share (Amount in ₹)		
Earnings per share – Basic and Diluted (Amount in ₹)	(25.14)	(42.54)

48 Taxation

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

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

49 Prior Period Adjustments :

(Amount in ₹)

Sr. No.	Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
(a)	Wagon lease rent	2,200,000	-
(b)	Finance Charges	-	3,187,500
(c)	Professional fees	1,303,611	2,158,709
(d)	Interest on Statutory Dues	259,285	-
(e)	Interest Reversed	-	(1,900,095)
(f)	Reversal of Penal Interest	-	(14,200,000)
(g)	Service Tax paid on demand	-	465,226
(h)	Repiar & Maintenance	593,884	-
(i)	Miscellaneous Expenses	176,000	-
	Prior Period Adjustments (net)	4,532,780	(10,288,660)

50 a. Derivative contracts entered into by the Group for hedging purpose and outstanding as at 31st March, 2017 are as under:

Particulars	Financial Year Ended	Foreign currency amount	Equivalent amount
		(in ₹)	
Long-term borrowings**			
USD	2017	-	-
	2016	38,074,931	2,522,654,585

(** Refer Note No. 38.1(i))

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

Particulars	Financial Year Ended	Foreign currency amount	Equivalent amount
		(in ₹)	
Bank balances			
USD	2017	674	43,079
	2016	5	317
Receivables			
USD	2017	3,420,299	218,650,375
	2016	2,444,066	159,874,076
EUR	2017	23,825	1,618,891
	2016	18,150	1,338,029
Security Deposits from Customers			
USD	2017	142,706	9,121,751
	2016	80,935	5,293,986
EUR	2017	725	49,228
	2016	3,609	266,071

51 Payment to Auditors:

Particulars	31st March 2017	31st March 2016
For Standalone		
Audit Fees	6,450,000	4,100,000
Other Service	-	1,100,000
Certification Fees	8,000	18,500
Reimbursement of expenses	25,991	55,000
For Subsidiaries		
Audit Fee	3,582,553	3,560,222
Other Services	-	25,000
Certification Fees	28,530	-
Reimbursement of expenses	100,930	28,560
Tota	10,196,004	8,887,282

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 52** The Holding Company had borrowed a sum of ₹ 12,50,00,000/- in 2012, against which 21,35,000 shares of the Holding Company held by one of the Promoter Directors was given as security by way of pledge. The lender invoked the pledge in 2013 and subsequently sold these shares in the market to recover the loan given to the Holding Company. The Promoter Director suffered a loss on account of the invocation and sale of the shares which is being claimed from the Holding Company. During the year, the Holding Company has obtained a legal opinion and has been advised to provide for the compensation payable of ₹6,59,30,099/- and the same has been approved by the Board of Directors. The same has been disclosed as an "Exceptional Item". The legal opinion also confirms that this compensation cannot be considered as Managerial Remuneration.
- 53 Key Managerial Person**
- 53.1 Chief Financial Officer – Holding Company**
The Holding Company was required to appoint Chief Financial Officer (CFO) as a Key Managerial Person as per sub-section (1) of section 203 of the Companies Act, 2013 (the Act) by 18th August, 2016 in place of Mr. V. L. Ganesh who ceased to be CFO w.e.f. 19th February, 2016. However, there was a delay in compliance as the Holding Company appointed Mr. S. Maheshwari as CFO w.e.f. 8th February, 2017.
- 53.2 Chief Financial Officer – Subsidiaries**
The Subsidiaries (Arshiya Central FTWZ Limited and Arshiya Industrial & Distribution Hub Limited) were required to appoint a Chief Financial Officer (CFO) as a Key Managerial Person as per sub-section (1) of section 203 of the Act, which came into force on 1st April, 2014. Arshiya Industrial & Distribution Hub Limited has appointed CFO on 8th February, 2017 and hence there was delay in Compliance. As regards, Arshiya Central FTWZ Limited the Company has not appointed a CFO.
- 53.3 Company Secretary – Subsidiaries**
The Subsidiaries (Arshiya Central FTWZ Limited, Arshiya Industrial & Distribution Hub Limited, Arshiya Northern FTWZ Limited and Arshiya Rail Infrastructure Limited) were required to appoint a Company Secretary (CS) as a Key Managerial Person as per sub-section (1) of section 203 of the Act which came into force on 1st April, 2014. Arshiya Industrial & Distribution Hub Limited appointed a Company Secretary on 7th September, 2016 and hence there was a delay in compliance. However Arshiya Central FTWZ Limited, Arshiya Rail Infrastructure Limited and Arshiya Northern FTWZ Limited have not appointed a Company Secretary.
- 54** The Group is of the view that the provisions of Section 185 of the Companies Act, 2013 as regards loans/guarantees granted/received are not applicable, as the same are provided/received in the normal course of business.
- 55 Specified Bank Notes (SBN)**
During the year, the Group had Specified Bank Notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 30th March, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as mentioned below:

Particulars	(Amount in ₹)		
	SBNs*	Other denomination notes	Total
Closing Cash in hand as on 8th November, 2016	11,910,500	148,269	12,058,769
(+) Permitted receipts	-	1,095,900	1,095,900
(-) Permitted payments	-	(541,100)	(541,100)
(-) Amount deposited in Banks	(11,910,500)	-	(11,910,500)
Closing Cash in hand as on 30th December, 2016	-	703,069	703,069

* For the purpose of the clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S. O. 3407(E), dated 8th November, 2016.

- 57** Certain balances in respect of trade receivables, loans and advances, term loans, trade payables, other liabilities and provisions are subject to confirmations and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the accounts will be adjusted in the year in which balances are reconciled.
- 58** Previous year's figures have been regrouped/reclassified wherever necessary to conform to those of current year's classification/disclosures.

Signatures to Notes forming part of Financial Statements

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

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

Mukul Patel
Partner
Membership No. 032489

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

S. Maheshwari
Chief Financial Officer

Place: Mumbai
Date: 18th May, 2017

Savita Dalal
Company Secretary



ARSHIYA LIMITED

CIN: L93000MH1981PLC024747

Registered Off: 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018
Tel: +91 22 42305500/02 **Fax:** +91 22 4230 5555 **E-mail:** info@arshiyalimited.com **Website:** www.arshiyalimited.com

ATTENDANCE SLIP THIRTY SIXTH ANNUAL GENERAL MEETING

I, a member/ proxy / authorised representative for a member of the Company, hereby record my presence at the 36th Annual General Meeting of the Company on Tuesday, the 26th September 2017 at 03.00 p.m. at Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai-400 018.

Registered Folio no./ DP ID no./ Client Id no.:		
Name and Address of the Shareholder :		
Number of shares held :		
If Shareholder(s) please sign here	If Proxy, please mention name and sign here	
	Name of Proxy	Signature

ELECTRONIC VOTING PARTICULARS

EVEN (e- voting event number)	User ID	Password

Notes:

(1) Shareholders / Proxy holders as the case may be are requested to produce the attendance slip duly signed at the Meeting entrance.

(2) Members holding shares in physical form, are requested to advise change in their address, if any, to the Registrar & Share Transfer Agent, Big Share Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai 400059.



FORM NO. MGT-11 (PROXY FORM)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

ARSHIYA LIMITED

CIN:L93000MH1981PLC024747

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

36th Annual General Meeting- 26th September, 2017

Name of the member (s):	
Registered Address:	
E-mail Id:	
Folio No/Client Id*:	DP ID*:

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name:..... Email ID:

Address:.....

.....Signature:

Or failing him/her

2. Name:..... Email ID:

Address:.....

.....Signature:

Or failing him/her

3. Name:..... Email ID:.....

Address:.....

.....Signature:

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Thirty-Sixth Annual General Meeting of the Company, to be held on Tuesday, the 26th September, 2017 at 03.00p.m. at Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai- 400 018 and at any adjournment thereof in respect of resolutions are indicated below:

ResolutionNo.	Resolutions	Vote**		
		FOR	AGAINST	ABSTAIN
OrdinaryBusiness				
1.	Adoption of Annual Accounts of the Company as on March 31, 2017. (Ordinary Resolution)			
2.	Appointment of Mrs. Archana A Mittal as director liable to retire by rotation. (Ordinary Resolution)			
3.	Appointment of M/s. Chaturvedi & Shah, Chartered Accountants, as Statutory Auditors of the Company in place of M/s. M. A Parikh & Co., Chartered Accountants and to fix their remuneration. (Ordinary Resolution)			
SpecialBusiness				
4.	Ratification of Remuneration to Cost Auditor (Ordinary Resolution)			
5.	Ratification of disclosure in respect of Special Resolution passed in the Extra-Ordinary General Meeting of the members of the company held on 29th April, 2017 (Special Resolution)			

*Applicable for investors holding shares in Electronic form.

**This is only optional Please put a ✓ in the appropriate column against the resolutions indicated in the Box. Alternatively you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote, if you leave all the columns blank against any or all the resolutions your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed _____ this day of _____ 2017

Signature of shareholder: _____

Signature of Proxy holder(s): _____

Affix Revenue Stamp Rs.1/-

Notes:

- 1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting i.e. on or before 26th September, 2017 at 03:00 p.m.**
- 2) **A proxy need not be a member of the company.**
- 3) In case the appointer is a body corporate the proxy form should be signed under its seal or be signed by an office or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the proxy form.
- 4) A person can act as a proxy on behalf of such number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Further a member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member.
- 5) In case of joint holders the signature of any one holder will be sufficient but names of all the joint holders should be stated.

Corporate & Registered Office

Arshiya Limited
301/302, Level 3, Ceejay House,
Shiv Sagar Estate, F Block,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018, India
T: +91 22 4230 5500/502
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