

**ANNUAL REPORT**  
**OF**  
**ARCHWAY INVESTMENTS**  
**COMPANY LIMITED**  
  
**FOR FINANCIAL YEAR**  
**2015-16**

## **DIRECTORS' REPORT to the members**

The Directors hereby present their Report on the business and operations of the Company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016.

### **1. FINANCIAL RESULTS:**

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March 2016. (Rs.)</b>	<b>For the year ended 31<sup>st</sup> March 2015. (Rs.)</b>
Income	96,053,028	10,10,37,983
Less : Expenses	68,330,208	8,15,93,443
Gross profit	27,722,820	1,94,44,540
Less: Provision for taxation	53,00,000	30,00,000
Profit after tax	22,422,820	1,64,44,540
Add: Balance in profit & loss Account as per last Balance Sheet.	1,04,538,354	8,80,93,814
AVAILABLE FOR APPROPRIATION	1,26,961,174	1,04,538,354
Less: APPROPRIATIONS:		
Dividend (Subject to tax)	-----	
Dividend	-----	-----
Tax on Dividend	-----	-----
Transfer to General Reserve.	-----	-----
Balance carried to Balance Sheet.	<b>1,26,961,174</b>	<b>1,04,538,354</b>

### **2. OPERATIONS:**

During the year, the Company's income was Rs. 9.61 crore (2014-15: Rs. 10.10 crore) against expenses of Rs. 6.83 crore (2014-15: Rs. 8.16 crore). The Profit after Tax was Rs. 2.24 crore (2014-15: Rs. 1.64 crore) after deducting tax of Rs. 0.53 crore (2014-15: Rs. 0.30 crore). The accrued balance of Rs. 12.70 crore available for appropriation as on 31st March, 2016, was carried forward to the Balance Sheet.

The Company has received dividend income of Rs. 1.45 crore mainly from The Bombay Burmah Trading Corporation Ltd. (Rs. 1.30 crore) and National Peroxide Ltd. (Rs. 0.14 crore). The Company also earned Rs. 8.16 crore as interest income from Inter Corporate Deposits (ICDs) mainly from Scal Services Ltd. (Rs. 3.35 crore), Go Airlines (India) Ltd. (Rs. 4.00 crore) and Bombay Dyeing Real Estate Co. Ltd. (Rs. 0.80 crore).

The Company paid Rs. 6.78 crore as interest on ICDs mainly to National Peroxide Ltd. (Rs. 2.78 crore), The Bombay Dyeing & Mfg. Co. Ltd. (Rs. 2.47 crore), The Bombay Burmah Trading Corporation Ltd. (Rs. 0.80 crore), Wadia Techno Engineering Services Ltd. (Rs. 0.33 crore) and Pentafil Textile Dealers Ltd. (Rs. 0.035 crore).

Borrowings by way of ICDs were Rs. 20.50 crore as at 31st March, 2016, mainly from, National Peroxide Ltd. (Rs. 14 crore) and The Bombay Burmah Trading Corporation Ltd. (Rs. 6 crore).

Advances given by way of ICDs stood at Rs. 25.10 crore as at 31<sup>st</sup> March, 2016 mainly to GO Airlines (India) Ltd. (Rs. 23.85 crore and The Bombay Dyeing & Mfg. Co. Ltd. (Rs. 1.25 crore).

### **3. DIVIDEND:**

Your directors have not recommended any dividend for the year under review.

### **4. HOLDING AND SUBSIDIARIES:**

The Company is a subsidiary of The Bombay Dyeing and Mfg. Co. Ltd. Further, the Company has no subsidiary, joint venture or associate companies.

### **5. NON-BANKING FINANCIAL COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 1998:**

The Company has been issued the Certificate of Registration to carry on the business as a Non-Banking Financial Institution by the Reserve Bank of India on 26<sup>th</sup> May, 1988.

A schedule containing additional particulars as prescribed by the Reserve Bank of India vide Notification No. DNBS.193 DG(VL) - 2007 dated February 22, 2007, is attached to the Balance Sheet of the Company as on 31<sup>st</sup> March, 2016.

### **6. FIXED DEPOSITS:**

Since its inception, your Company has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies (Reserve Bank) Directions, 1998.

### **7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

In view of the nature of activities which are being carried on by your Company, the provisions of Section 134 of the Companies Act, 2013, read with The Companies (Accounts) Rules, 2014, concerning conservation of energy and technology absorption, are not applicable to your Company.

There were no Foreign Exchange earnings or outgo during the period.

### **8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

At the Annual General Meeting held on August 4, 2015, the members of the Company had appointed Dr. (Mr.) Shailesh Karnik as Independent Director for a term of five years with effect from August 4, 2015 upto August 3, 2020.

In accordance with the provisions of the Act and the Company's Articles of Association, Mr. S. Raja (DIN: 03149272) retires by rotation and is eligible for re-appointment.

Necessary resolutions for the re-appointment of Mr. S. Raja, have been included in the notice convening the ensuing AGM and requisite details have been provided in the notice. Your directors commend his reappointment.

All the Independent Directors have given a declaration under Sub-Section (7) of Section 149 of the Act that they meet the criteria of independence as laid down under Section 149 (6) of the Act.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors as prescribed under Section 164(2) of the Act.

### **KEY MANAGERIAL PERSONNEL**

Mrs. Geeta Krishnan, Chief Financial Officer and Company Secretary is the Key Managerial Personnel of the Company.

## **9. BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance and that of its statutory Committee's viz. Audit Committee and Nomination and Remuneration Committee and that of Individual Directors. The Board took into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Director was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## **10. NOMINATION AND REMUNERATION CHARTER:**

The Board has adopted, on recommendation of the Nomination & Remuneration Committee, a Charter for selection and appointment of Directors, Senior Management and their remuneration. Nomination & Remuneration Charter has been annexed herewith as 'Annexure A'.

## **11. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge, confirm that:

- 1) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- 2) 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 profit of the Company for that period;
- 3) they have taken proper and sufficient care for the 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 fraud and other irregularities;
- 4) they have prepared the Annual Accounts on a going concern basis; and
- 5) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.
- 6) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

## **12.INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

An independent internal auditor conducts an annual audit to ensure adequacy of the internal control system and validates adherence to management instructions and compliance. The internal auditor also conducts review to ensure implementation of recommendations and suggestions of the Audit Committee. The Audit Committee of the Board of Directors takes note of the same.

## **13.NUMBER OF BOARD MEETINGS:**

The Board of Directors of your Company duly met 7 (Seven) times on April 22, 2015, May 12, 2015, July 10, 2015, July 30, 2015, August 20, 2015, December 2, 2015 and February 19, 2016 during the financial year 2015-2016, in respect of which proper notices were given and the proceedings were correctly recorded and signed in minutes book maintained for the purpose.

## **14.COMPOSITION OF AUDIT COMMITTEE:**

Your Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013 and regulation framed by Reserve Bank of India. The Members of Audit committee are Dr. Shailesh Karnik, Mr. D. S. Gagrath and Mr. R. V. Sarma. The Company has duly complied with the provisions of Section 177(2) of the Companies Act, 2013 as all its members are independent. During the year under review, the Committee met once on 12<sup>th</sup> May, 2015.

## **15.COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE:**

Your Company has constituted a Nomination and Remuneration Committee in terms of the requirements of the Companies Act, 2013. The Members of Nomination and Remuneration Committee are Dr. Shailesh Karnik, Mr. D. S. Gagrath and Mr. S. Raja. The Company has duly complied with the provisions of Section 178(1) of the Companies Act, 2013 i.e. majority of its members are independent. During the year under review, the Committee met once on 30th March, 2016.

## **16.MATERIAL CHANGES:**

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 upto the date of this report.

## **17.PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No. 10 of the Notes to the Financial Statements.

## **18.PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

There were no related party transactions as per Section 188 of the Companies Act, 2013, during the Financial Year 2015-16.

## **19.SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as 'Annexure B'

M/s. Parikh & Associates, practicing company secretary in their secretarial audit report have stated that,

a) The Company having paid-up Share Capital of more than Rupees Ten Crores, has yet to appoint Managing Director or Whole-time Director or Manager or CEO as required under Section 203 of the Act, read with rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

b) The Company does not meet the requirement of minimum net owned funds as required under section 45-IA of the Reserve Bank of India Act, 1934.

The Directors are of the view that:

(a) In the absence of the Managing Director or Whole-time Director or Manager or Chief Executive Officer the Board of Directors takes all necessary decisions and responsibility for running the business of the Company.

(b) The Company having investment in other group companies that does not fall under the requirement of minimum net owned funds as per Section 45-IA of the Reserve Bank of India Act, 1934.

## **20. EXTRACT OF ANNUAL RETURN AS REQUIRED AND PRESCRIBED UNDER SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER:**

The extract of Annual Return in Form No: MGT 9 as on Financial Year ended 31<sup>st</sup> March, 2016 pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 is annexed as 'Annexure C'.

## **21. PARTICULARS OF EMPLOYEES:**

Your Company did not have any employee during the year. Hence, the information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is reported to be nil.

## **22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There were no significant and material orders passed by the Regulators or Courts or tribunals, which would impact the going concern status of the Company's operations in future.

## **23. STATUTORY AUDITORS:**

At the 37th Annual General Meeting held on 26th September, 2014, the members approved appointment of M/s. Sandip Shah & Co., Chartered Accountants (Registration No. 133680W) to hold office from the conclusion of the 37th Annual General Meeting until the conclusion of the 42<sup>nd</sup> Annual General Meeting, (subject to ratification of the appointment by the Members, at every Annual General Meeting held after the 37th Annual General Meeting) on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.

In accordance with Section 139 of the Act, Members are requested to ratify the appointment of the Auditors for the balance term to hold office from the conclusion of the 39th Annual General Meeting till the conclusion of the 42<sup>nd</sup> Annual General Meeting.

The specific notes forming part of the accounts referred to in the Auditors' Report are self-explanatory and give complete information.

#### **24. RESERVE BANK OF INDIA (RBI) GUIDELINES**

Your Company continues to comply with all the requirements prescribed by the Reserve Bank of India, from time to time, as applicable to it.

On behalf of the Board of Directors

**Sd/-**  
**Shailesh Karnik**  
Director  
DIN: 06976928

**Sd/-**  
**S. Raja**  
Director  
DIN: 03149272

Place: Mumbai  
Date: 7<sup>th</sup> June, 2016

## **ANNEXURE – A**

### **ARCHWAY INVESTMENT COMPANY LIMITED**

#### **NOMINATION AND REMUNERATION COMMITTEE CHARTER**

##### **1. Principles and Objectives**

The Nomination and Remuneration Committee ("Committee") of the Board of Directors ("Board") of Archway Investment Company Limited will report to the Board and shall support the Board in matters related to:

- Setup and composition of the Board, its Committees and the leadership team of the Company comprising Key Managerial Personnel ("KMP" as defined by the Companies Act, 2013) and Executive Team (as defined by the Committee).
- Evaluation of performance of the Board, its Committees and Individual Directors.
- Remuneration for Directors, KMP, Executive Team and other employees.
- Oversight of the familiarisation programme of Directors.

##### **2. Composition**

- The Committee shall comprise of three or more Non-Executive Directors out of which majority shall be Independent Directors.
- The Chairman of the Committee shall be an Independent Director, from amongst the members of the Committee.
- The Board is authorised to re-constitute the Committee from time to time.
- The Company Secretary shall act as the co-ordinator.

##### **3. Meetings**

- The Company Secretary or any Director of the Company will call a meeting of the Committee if so requested by any member of the Committee.
- The Committee may invite such of the executives, as it considers appropriate to be present at the meetings of the Committee.
- The Committee shall meet as often as needed to discuss matters.

##### **3 Quorum for the meeting**

- The quorum for the meeting of the Committee will be any two members of the Committee of which one Director to be an Independent Director.

##### **4 Authority and Power**

The Committee shall have the power to:

- Investigate any matter within the scope of this charter or as referred to it by the Board.
- Seek any information or explanation from any employee or Director of the Company.
- Invite such executives, as it considers appropriate to be present at the meetings of the Committee.
- Ask for any records or documents of the Company.

The Committee may also engage (on reasonable terms acceptable to the Board and at the expense of the Company) independent consultants and other advisors and seek their advice on matters related to discharge of their responsibilities.



## 5 Responsibilities

The responsibilities of the committee shall include the following:

### **Board Composition and Succession related:**

- Recommend to the Board the setup and composition of the Board. This shall include “Formulation of the criteria for determining qualifications, positive attributes and independence of a director”. This also includes periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the committees.
- Recommend to the Board the appointment or reappointment of directors.
- Recommend to the Board, the appointment of KMP and executive team members. The committee shall consult the Audit Committee of the Board before recommending the appointment of the Chief Financial Officer (“CFO”).
- Formulate and recommend to the Board plans for orderly succession for appointments to the Board, KMPs and other senior management.
- Recommend to the Board suitable candidates for the role of independent directors;
- Review and provide to the Board a recommendation as appropriate on any extension of a non-executive director’s terms of appointment on expiry;
- Co-ordinate and oversee the annual self-evaluation of performance of the Board and individual directors in the governance of the Company;

### **Evaluation related:**

- Carry out the evaluation of every director’s performance and support the Board and independent directors, as may be required, in evaluation of the performance of the Board, its committees and individual directors. This shall include “Formulation of criteria for evaluation of Independent Directors and the Board.”
- Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.

### **Remuneration related:**

The duties of the Committee in relation to remuneration matters include:

- Determining remuneration, if any, of directors;
- Determining remuneration and incentive policies packages of key executives, if any;
- Determining recruitment, retention and termination policies and procedures for senior management, if any;
- Determining and reviewing incentive schemes, if any;
- Determining and reviewing superannuation arrangements, if any;
- Reviewing succession plans for senior management, if any.

The Committee shall ensure that the Board and senior management are provided with sufficient information to ensure informed decision making.

**Board Development related:**

- Oversee familiarization programmes for directors.

**Other functions:**

- Perform other activities related to the charter as requested by the Board from time to time.
- Carry out additional functions as required by other regulatory requirements applicable to the Company or in the terms of reference of the Nomination and Remuneration Committee.

**6 Reporting**

The Committee will periodically report to the Board on various matters that it has considered.

The Annual Report of the Company shall disclose the composition of the Nomination and Remuneration Committee, brief description of the scope of the Committee Charter, names of members, Chairperson, meetings and attendance.

**7 Evaluation**

The Committee shall conduct an annual self-evaluation of its performance and report the result to the Board of Directors. It shall confirm annually to the Board that the responsibilities outlined above have been carried out.

**8 Review of Charter**

The adequacy of this charter shall be reviewed and reassessed by the Committee, periodically and appropriate recommendations shall be made to the Board to update the charter based on the changes that may be brought about due to any regulatory framework or otherwise.

**FORM No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
Archway Investment Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Archway Investment Company Limited(hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 generally 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 made available to us and maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;(Not applicable to the Company during the audit period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;(Not applicable to the Company during the audit period)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;(Not applicable to the Company during the audit period)

(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; (Not applicable to the Company during the audit period)

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not applicable to the Company during the audit period)

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

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

(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; (Not applicable to the Company during the audit period)

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:

1. All the Rules, Regulations, Guidelines and Circulars applicable to Non Banking Financial Companies under the RBI Act, 1934

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

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:

- a) The Company having paid-up Share Capital of more than rupees Ten Crores, has yet to appoint Managing Director or Whole-time Director or Manager or CEO as required under Section 203 of the Act read with rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- b) The Company does not meet the requirement of minimum net owned funds as 45-IA of the Reserve Bank of India Act, 1934.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, 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 notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

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.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Parikh & Associates**  
Company Secretaries

Place: Mumbai  
Date: June 7 2016

Signature:  
Shalini Bhat  
Partner  
FCS No:6484 CP No:6994

*This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.*

‘Annexure A’

To,  
The Members  
Archway Investment Company Limited

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

1. Maintenance of Secretarial record 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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process 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. Where ever required, we have obtained the Management representation about the Compliance of 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 procedure on 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.

**For Parikh & Associates**  
Company Secretaries

Place: Mumbai  
Date: June 7 2016

Signature:  
Shalini Bhat  
Partner  
FCS No: 6484      CP No: 6994

**DIRECTORS' REPORT (CONTINUED)****ANNEXURE C TO DIRECTORS' REPORT****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****as on financial year ended on 31.03.2016****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.****I REGISTRATION & OTHER DETAILS:**

i	CIN	U67120MH1976PLC019304
ii	Registration Date	11th February, 1976
iii	Name of the Company	Archway Investment Company Limited
iv	Category/Sub-category of the Company	Company limited by shares / Indian Non – Government Company
v	Address of the Registered office & contact details	Neville House, J. N. Herdia Marg, Ballard Estate, Mumbai - 400001
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	N/A.

**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

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Other financial service activities	6499	100%

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	The Bombay Dyeing and Mfg. Co. Ltd.	L17120MH1879PLC000037	HOLDING	95.69%	2(46)

## i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>	0	0	0	0	0	0	0	0	0	0
a) Individual/HUF	0	0	0	0	0	0	0	0	0	0
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>										
<b>(2) Foreign</b>										
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	0	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter</b>										
<b>(A)= (A)(1)+(A)(2)</b>	0	0	0	0	0	0	0	0	0	0
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	0	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0	0
c) Cenntal govt	0	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>										
<b>(2) Non Institutions</b>										
a) Bodies corporates	0	0	0	0	0	0	0	0	0	0
i) Indian	0	5,204,994	5,204,994	100%	0	5,204,994	5,204,994	100%	No changes	
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	0	0	0	0	0	0	0	0	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0	0	0	0	0	0	0
c) Others (Shares held as nominee of The Bombay Dyeing & Mfg. Co. Ltd.)	0	6	6	0	0	6	6	0	No changes	
<b>SUB TOTAL (B)(2):</b>	0	5,205,000	5,205,000	100%	0	5,205,000	5,205,000	100%	No changes	
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	0	5,205,000	5,205,000	100%	0	5,205,000	5,205,000	100%	No changes	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	-	-	0	0	-	-	0	0	0
<b>Grand Total (A+B+C)</b>	0	5,205,000	5,205,000	100%	0	5,205,000	5,205,000	100%	No changes	



## (ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	
NOT APPLICABLE								

## (iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPLIT IF THERE IS NO CHANGE)					
Sl. No.	Name of the Promoter / Promoter Group	Share holding at the beginning of the Year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No of shares	% of total shares of the Company
NOT APPLICABLE					

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs):

Sl. No	Top 10 Shareholders	Shareholding at the beginning of the year		Date of transaction	Increase/ Decrease in shareholding	Reason	Shareholding at the end of the year	
		No.of shares	% of total shares of the company				No of shares	% of total shares of the Company
1	The Bombay Dyeing & Mfg. Co. Ltd.	4,980,594	95.68%	-	-	-	4,980,594	95.68
2	Scal Services Ltd.	112,200	2.16%	-	-	-	112,200	2.16%
3	Pentafil Textile Dealers Ltd.	112,200	2.16%	-	-	-	112,200	2.16%
4	Mr. S. S. Kelkar*	1	0.00%	-	-	-	1	0.00%
5	Mr. S. Raja*	1	0.00%	-	-	-	1	0.00%
6	Mr. Jairaj Champaklal Bham*	1	0.00%	-	-	-	1	0.00%
7	Mr. Dhun Sorabji Gagrati*	1	0.00%	-	-	-	1	0.00%
8	Mr. N. Venkat Krishnan*	1	0.00%	-	-	-	1	0.00%
9	Mr. Kaioz Nalladaru*	1	0.00%	-	-	-	1	0.00%

\* Shares held as nominee of The Bombay Dyeing & Mfg. Co. Ltd.

## (v) Shareholding of Directors &amp; KMPs:

(v) Shareholding of Directors & KMPs:		Shareholding at the end of the year		Shareholding at the end of the year	
Sl. No		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Directors & KMP				
1	Mr. D.S. Gagrati*	1	-	1	-
2	Mr. R. V. Sarma	-	-	-	-
3	Mr. Raja Sharma*	1	-	1	-
4	Dr. (Mr.) Shailesh Karnik	-	-	-	-
5	Ms. Geeta Krishnan (KMP - CS & CFO)	-	-	-	-

\*Shares held as nominee of The Bombay Dyeing & Mfg. Co. Ltd.

## V INDEBTEDNESS

Amount in (Rs.)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits (Inter Corporate Deposits)	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	0	33,500,000	690,700,000	724,200,000
ii) Interest due but not paid	0	-	-	-
iii) Interest accrued but not due	0	-	-	-
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>33,500,000</b>	<b>690,700,000</b>	<b>724,200,000</b>
Change in Indebtedness during the financial year				
Additions	0	-	355,400,000	355,400,000
Reduction	0	-	841,100,000	841,100,000
<b>Net Change</b>	<b>0</b>	<b>-</b>	<b>(485,700,000)</b>	<b>(485,700,000)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	0	33,500,000	205,000,000	238,500,000
ii) Interest due but not paid	0	-	126,148	126,148
iii) Interest accrued but not due	0	-	-	-
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>33,500,000</b>	<b>205,126,148</b>	<b>238,626,148</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole time director and/or Manager: NIL

Amount in (Rs.)

Sl.No	Particulars of Remuneration	Name of the MD/WT/Manager				Total Amount	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	0	0	0	0	0
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0	0
2	Stock option	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0
4	Commission	0	0	0	0	0	0
	as % of profit	0	0	0	0	0	0
	others (specify)	0	0	0	0	0	0
5	Others, please specify	0	0	0	0	0	0
	<b>Total (A)</b>	0	0	0	0	0	0
	<b>Ceiling as per the Act</b>	0	0	0	0	0	0

## B. Remuneration to other directors: NIL

Amount in (Rs.)

Sl.No	Particulars of Remuneration	Name of the Directors				Total Amount	
1	Independent Directors	Mr. D. S. Gagrat	Mr. R. Chandrasekharan (upto 08.12.2014)	Mr. R. V. Sarma	Dr. (Mr.) Shallesh karnik (from December 10, 2014)		
	(a) Fee for attending board committee meetings	0	0	0	0	0	0
	(b) Commission	0	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0	0
	<b>Total (1)</b>	0	0	0	0	0	0
2	Other Non Executive Directors	Mr. Raja Sharma					
	(a) Fee for attending board committee meetings	0				0	0
	(b) Commission	0				0	0
	(c) Others, please specify	0				0	0
	<b>Total (2)</b>	0				0	0
	<b>Total (B)={1+2}</b>	0		0	0	0	0
	<b>Total Managerial Remuneration</b>	0		0	0	0	0
	<b>Overall Ceiling as per the Act.</b>	0		0	0	0	0

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT/

Amount in (Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
1	Gross Salary	CEO	Company Secretary	CFO	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	0	0	0
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	as % of profit	0	0	0	0
	others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	<b>Total</b>	0	0	0	0

VII **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act,2013	Brief Description	Details of Penalty/Punish ment/Compoun ding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

# Independent Auditors` Report

To the Members of,  
Archway Investment Company Limited

## ❖ Report on the Financial Statements

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

## ❖ Management's Responsibility for the Financial Statements

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

## ❖ Auditor's Responsibility

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

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

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

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

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

#### ❖ **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Profit and its Cash Flows for the year ended on that date.

#### ❖ **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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 15 to the financial statements;

**SANDIP SHAH & CO**  
CHARTERED ACCOUNTANTS

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For SANDIP SHAH & Co.**  
Chartered Accountants  
Firm Reg. No.: 133680W

**Sd/-**

**Sandip Shah**  
Proprietor  
Membership No.: 103125

Place: Mumbai  
Date: 07/06/2016

**ANNEXURE - A TO THE AUDITORS' REPORT**

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

1. The Company has no fixed assets. Hence Paragraph 3(i) of the order is not applicable.
2. The Company does not hold any inventory. Hence Paragraph 3(ii) of the order is not applicable.
3. The company has not granted any loans during the year to companies, firms or other parties covered in the registered maintained under section 189 of the Companies Act, 2013. Consequently, the requirements of Clauses (iii) of paragraph of the Order are not applicable.
4. The Company has not provided any loans, Guarantee or security to Directors or relative of directors according to section 185 and 186 of the companies act, 2013 so requirements as per clause (iv) of the order is not applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013.
7. In respect of statutory dues:
  - a) According to the information and explanations given to us and on the basis of our examination of the records of accounts, the company has generally been regular in depositing undisputed statutory dues including income tax and tax deducted at source with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were in



arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, the particulars of statutory income tax dues outstanding at the end of the year on account of a dispute are as follows:

<b>Name of Statute</b>	<b>Nature of dues</b>	<b>Amount (in Rs.)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income tax	Income tax	32,927	A. Y. 2006-07	AT ITAT
Income tax	Income tax	89,77,005	A. Y. 2010-11	AT CIT(A)
Income tax	Income tax	26,64,563	A. Y. 2011-12	AT CIT(A)
Income tax	Income tax	1,06,64,339	A. Y. 2012-13	AT CIT(A)

8. The Company has not taken any loan from the financial institution and accordingly the provisions of clause (Viii) of paragraph 3 of the Order are not applicable to the Company.
9. According to the information and explanations given to us, the company has neither raised any money by way of initial public offer or further public offer (Including Debt Instrument) nor company has taken any term loans during the previous financial year, so question of application of funds doesn't arise.
10. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us, no managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The Company is not a 'Nidhi company' so the clause (xii) of paragraph 3 of the Order are not applicable to the Company.

**SANDIP SHAH & CO**  
CHARTERED ACCOUNTANTS

13. According to the information and explanations given to us, all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. During the year company has neither issued any preferential allotment or private allotment of shares nor fully or partly convertible debentures.
15. According to the information and explanations given to us, Company has not entered into any non cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

As per our Report of even date

For and on behalf of

**SANDIP SHAH & Co.**

Chartered Accountants

Firm Reg. No.: 133680W

Sd/-

**Sandip Shah**

Proprietor

Membership No.: F-103125

Place: Mumbai

Date: 07/06/2016

**ANNEXURE - B TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **Archway Investment Company Limited** ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

❖ **Management's Responsibility for Internal Financial Controls**

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

❖ **Auditors' Responsibility**

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

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### ❖ **Meaning of Internal Financial Controls over Financial Reporting**

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

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

❖ **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

❖ **Opinion**

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

As per our Report of even date

For and on behalf of

**SANDIP SHAH & Co.**

Chartered Accountants

Firm Reg. No.: 133680W

**Sd/-**

**Sandip Shah**

Proprietor

Membership No.: 103125

Place: Mumbai

Date: 07/06/2016

# ARCHWAY INVESTMENT COMPANY LIMITED

## Balance Sheet as at March 31, 2016

(Amount in Rs )

	Note No.	Year ended 31-Mar-16		Year ended 31-Mar-15	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2	520,500,000		520,500,000	
Reserves and Surplus	3	126,961,174	647,461,174	104,538,354	625,038,354
<b>Non-Current Liabilities</b>					
Long-term Borrowings	4		33,500,000		33,500,000
<b>Current Liabilities</b>					
Short-term Borrowings	5	205,000,000		690,700,000	
Trade Payable	6	177,482		86,739	
Other Current Liabilities	7	1,535,149	206,712,631	2,292,969	693,079,708
<b>Total</b>			<b>887,673,805</b>		<b>1,351,618,062</b>
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Non-current investments	8		529,518,783		529,518,783
<b>Current Assets</b>					
Cash and Bank Balances	9	64,301,545		32,235	
Short-term loans and advances	10	293,853,477	358,155,022	822,067,044	822,099,279
<b>Total</b>			<b>887,673,805</b>		<b>1,351,618,062</b>
Significant Accounting Policies	1		(0)		
Notes on Accounts	2 - 20				

As per our Report of even date

For and on behalf of  
**SANDIP SHAH & Co**  
Chartered Accountants  
Registration No.: 133680W

For and on behalf of the Board  
**Sd/-**  
**Mr. D. S. Gagrati**

**Sd/-**  
**Mr. R. V. Sarma**

**Sd/-**  
**Sandip Shah**  
Proprietor  
Membership No.: 103125

**Sd/-**  
**Mr. S. Raja**

Place: Mumbai  
Date: 07.06.2016

**Sd/-**  
**Mr. Shailesh Karnik**

**Sd/-**  
**Geeta Krishnan**  
**Company Secretary & Chief Financial Officer**

# ARCHWAY INVESTMENT COMPANY LIMITED

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

(Amount in Rs )

	Note No.	Year ended 31-Mar-16	Year ended 31-Mar-15
<b>I REVENUE FROM OPERATIONS</b>	11	<b>96,041,263</b>	100,368,613
<b>II OTHER INCOME</b>	12	<b>11,765</b>	669,370
<b>III TOTAL REVENUE [I +II]</b>		<b>96,053,028</b>	101,037,983
<b>IV EXPENSES</b>			
Finance Cost	13	<b>67,791,401</b>	76,157,898
Other Expenses	14	<b>538,807</b>	5,435,545
<b>Total Expenses</b>		<b>68,330,208</b>	81,593,443
<b>V PROFIT/(LOSS) BEFORE TAX (III - IV)</b>		<b>27,722,820</b>	19,444,540
<b>VI TAX EXPENSE</b>			
Current Tax		<b>5,300,000</b>	3,000,000
<b>VII PROFIT/(LOSS) FOR THE YEAR (V - VI)</b>		<b>22,422,820</b>	16,444,540
<b>Earning per Equity Share (Face Value per Share Rs. 10/-)</b>			
- Basic earning per equity share (in rupees) (Refer Note No. 19)		<b>4.31</b>	6.69
- Diluted earning per equity share (in rupees)		<b>4.05</b>	5.89
Significant Accounting Policies	1		
Notes on Accounts	2 - 20		

As per our Report of even date

For and on behalf of  
**SANDIP SHAH & Co**  
Chartered Accountants  
Registration No.: 133680W

For and on behalf of the Board  
**Sd/-**  
**Mr. D. S. Gagrath**

**Sd/-**  
**Mr. R. V. Sarma**

**Sd/-**  
**Sandip Shah**  
Proprietor  
Membership No.: 103125

**Sd/-**  
**Mr. S. Raja**

Place: Mumbai  
Date: 07.06.2016

**Sd/-**  
**Mr. Shailesh Karnik**

**Sd/-**  
**Geeta Krishnan**  
**Company Secretary & Chief Financial Officer**

# ARCHWAY INVESTMENT COMPANY LIMITED

## Cash Flow Statement For The Year Ended On March 31, 2016

(Amount in Rs )

	INFLOWS/(OUTFLOWS)	
	Year ended 31-Mar-16	Year ended 31-Mar-15
<b>A Cash flow from Operating Activities</b>		
<b>Net Profit / (Loss) before tax</b>	<b>27,722,820</b>	<b>19,444,540</b>
Adjustments for :		
Interest Received	(81,573,663)	(83,051,588)
Gain on Sale of Investments	-	(669,370)
Interest & Finance Charges	67,791,401	76,157,898
Income from Dividend	(14,467,600)	(17,317,025)
	<b>(28,249,862)</b>	<b>(24,880,085)</b>
Operating Profit / (Loss) before Working Capital changes	<b>(527,042)</b>	<b>(5,435,545)</b>
Adjustments for Changes in the Working Capital		
Current Assets	(786,359)	44,851,677
Current Liabilities & Provisions	(667,077)	(85,982,426)
	<b>(1,453,436)</b>	<b>(41,130,749)</b>
<b>Cash generated from Operations</b>	<b>(1,980,478)</b>	<b>(46,566,294)</b>
Direct Taxes (Paid) / Refund (net)	<b>(8,300,074)</b>	<b>(8,300,074)</b>
<b>Net Cash from Operating Activities (A)</b>	<b>(10,280,552)</b>	<b>(54,866,368)</b>
<b>B Cashflow from Investment Activities</b>		
Interest/Dividend Received	<b>14,467,600</b>	<b>17,317,025</b>
Gain on Sale of Investments	-	<b>669,370</b>
Movements in Non Current Investments	-	8,484,030
	<b>14,467,600</b>	<b>26,470,425</b>
<b>Net Cash from Investment Activities (B)</b>	<b>14,467,600</b>	<b>26,470,425</b>
<b>C Cashflow from Financing Activities</b>		
Interest & Finance Charges	(67,791,401)	(76,157,898)
Interest income on inter corporate deposits	<b>81,573,663</b>	83,051,588
Inter corporate deposits given / (refund) (net)	<b>532,000,000</b>	(312,000,000)
Funds Borrowed / (Repaid) (net)	<b>(485,700,000)</b>	333,500,000
	<b>60,082,262</b>	<b>28,393,690</b>
<b>Net Cash from Financing Activities (C)</b>	<b>60,082,262</b>	<b>28,393,690</b>
<b>Net Cashflow (A + B + C)</b>	<b>64,269,310</b>	<b>(2,253)</b>
<b>Changes in the Cash &amp; Bank Balances</b>	<b>64,269,310</b>	<b>(2,253)</b>
Cash and Cash Equivalents at the beginning of the year	<b>32,235</b>	<b>34,488</b>
Cash and Cash Equivalents at the end of the year	<b>64,301,545</b>	<b>32,235</b>

As per our Report of even date

For and on behalf of

**SANDIP SHAH & Co**

Chartered Accountants

Registration No.: 133680W

For and on behalf of the Board

**Sd/-**

**Mr. D. S. Gagrat**

**Sd/-**

**Mr. R. V. Sarma**

**Sd/-**

**Sandip Shah**

Proprietor

Membership No.: 103125

**Sd/-**

**Mr. S. Raja**

Place: Mumbai

Date: 07.06.2016

**Sd/-**

**Mr. Shailesh Karnik**

**Sd/-**

**Geeta Krishnan**

**Company Secretary & Chief Financial Officer**



# ARCHWAY INVESTMENT COMPANY LIMITED

## Note on Financial Statements for the year ended March 31, 2016

### 1. Significant Accounting Policies

#### a. **Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ("the Act") and the accounting principles generally accepted in India and comply with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 issued by Central Government, in consultation with the National Advisory Committee on Accounting Standards ("NACAS"), to the extent applicable.

#### b. **Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptionsto be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date ofthe financial statements and the reported amount of revenues and expenses during the reporting period. Differencebetween the actual results and estimates are recognised in the period in which the results are known/materialised.

#### c. **Investments**

Investments intended, at the time of acquisition, to be held for a period exceeding twelve months are classified as "Non-Current Investments". All other Investments are classified as "Current Investments".

Investments are accounted on trade date at cost of acquisition which includes brokerage and other charges.

Current Investments are valued at cost or market value, whichever is lower, whereby the cost of each scrip is compared with its market value and the resultant shortfall, if any, is charged to revenue.

Non-Current Investments are stated at cost less provision, if any, for diminution which is considered other than temporary in nature.

#### d. **Revenue Recognition**

All revenue are generally recognised on accrual basis except where there is uncertainty of realisation.

#### e. **Borrowing Costs**

Borrowing costs are recognized as an expense in the period in which they are incurred. The borrowing costs in respect of funds borrowed to finance the qualifying fixed assets until the assets are ready for commercial use are capitalized.

# ARCHWAY INVESTMENT COMPANY LIMITED

## Note on Financial Statements for the year ended March 31, 2016

### f. Taxes on Income

Income tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax expense is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with the provisions of Indian Income-tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets is recognised for the future tax consequence attributable to the timing differences between the profits offered for income taxes and profits as per the Company's financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

### g. Earnings per Share

In determining basic earnings per share, the Company considers the net profit after tax and includes the post-tax effect of any extra-ordinary items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

### h. Provisions and Contingent Liabilities

#### **Provisions**

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

# ARCHWAY INVESTMENT COMPANY LIMITED

## **Note on Financial Statements for the year ended March 31, 2016**

### ***Contingent Liabilities***

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

# ARCHWAY INVESTMENT COMPANY LIMITED

## Notes on Financial Statements for the year ended March 31, 2016

(Amount in ₹)

NOTE 2 - SHARE CAPITAL	Year ended 31-Mar-16	Year ended 31-Mar-15
<b>AUTHORISED</b>		
- 56,00,000 (56,00,000) Equity Shares of Rs.100/- each	56,00,00,000	56,00,00,000
<b>Total</b>	56,00,00,000	56,00,00,000
<b>ISSUED</b>		
- 52,05,000 (52,05,000) Equity Shares of Rs.100/- each	52,05,00,000	52,05,00,000
<b>Total</b>	52,05,00,000	52,05,00,000
<b>SUBSCRIBED &amp; FULLY PAID UP</b>		
- 52,05,000 (52,05,000) Equity Shares of Rs.100/- each	52,05,00,000	52,05,00,000
<b>Total</b>	52,05,00,000	52,05,00,000

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Issued during the year	Closing Balance
<b>Equity shares with voting rights</b>			
Year ended March 31, 2016			
- Number of Shares	52,05,000	-	52,05,000
- Amount	52,05,00,000	-	52,05,00,000
Year ended March 31, 2015			
- Number of Shares	4,40,000	47,65,000	52,05,000
- Amount	4,40,00,000	47,65,00,000	52,05,00,000

b) Details of equity shareholders holding more than 5% of equity shares:

Name of Shareholder	Year ended March 31, 2016		Year ended March 31, 2015	
	%	No. of Shares	%	No. of Shares
The Bombay Dyeing & Manufacturing Co. Ltd.	95.69	49,80,600	95.69	49,80,600
Scal Services Ltd.	2.16	1,12,200	2.16	1,12,200
Pentafil Textile Dealers Ltd.	2.16	1,12,200	2.16	1,12,200

(Amount in ₹)

NOTE 3 - RESERVES AND SURPLUS	Year ended 31-Mar-16	Year ended 31-Mar-15
<b>Surplus</b>		
Balance at the beginning of the Year	10,45,38,354	8,80,93,814
Add: Net Profit for the Year	2,24,22,820	1,64,44,540
Closing Balance	12,69,61,174	10,45,38,354
<b>Total</b>	12,69,61,174	10,45,38,354

(Amount in ₹)

NOTE 4 - LONG-TERM BORROWINGS	Year ended 31-Mar-16	Year ended 31-Mar-15
<b>Debentures</b>		
Unsecured		
- 3,35,000 (3,35,000) Zero interest fully Convertible Debenture of Rs. 100 each	3,35,00,000	3,35,00,000
<b>Total</b>	3,35,00,000	3,35,00,000

### Note

3,35,000 The Zero interest unsecured fully convertible Debentures are convertible into equivalent number of equity of shares of the face value of Rs. 100/- each, at par at the end of 20th year (i.e. 30th March, 2017) from the date of allotment thereof.

# ARCHWAY INVESTMENT COMPANY LIMITED

## Notes on Financial Statements for the year ended March 31, 2016

(Amount in ₹)

<b>NOTE 5 - SHORT-TERM BORROWINGS</b>	<b>Year ended 31-Mar-16</b>	<b>Year ended 31-Mar-15</b>
<b>Loan and Advances</b>		
Unsecured		
Inter corporate deposits	-	21,57,00,000
- from related parties	20,50,00,000	47,50,00,000
- from others		
<b>Total</b>	<b>20,50,00,000</b>	<b>69,07,00,000</b>
<b>Inter corporate deposits from related parties pertains to:</b>		
The Bombay Dyeing & Manufacturing Co. Ltd.	-	21,25,00,000
Pentafil Textile Dealers Ltd.	-	32,00,000
	-	21,57,00,000

(Amount in ₹)

<b>NOTE 6 - TRADE PAYABLES</b>	<b>Year ended 31-Mar-16</b>	<b>Year ended 31-Mar-15</b>
Trade Payables	1,77,482	86,739
<i>[As per the information available with the Company, there are no dues outstanding as on 31st March 2016 to any micro, small and medium enterprise as defined under section 7 of Micro, Small &amp; Medium Enterprises Development Act, 2006]</i>		
<b>Total</b>	<b>1,77,482</b>	<b>86,739</b>

(Amount in ₹)

<b>NOTE 7 - OTHER CURRENT LIABILITIES</b>	<b>Year ended 31-Mar-16</b>	<b>Year ended 31-Mar-15</b>
Interest accrued and due on inter corporate deposits	1,26,148	-
<b>Other Payables</b>	<b>14,09,001</b>	<b>22,67,475</b>
Statutory Dues	-	25,494
Book Overdraft		
<b>Total</b>	<b>15,35,149</b>	<b>22,92,969</b>

(Amount in ₹)

<b>NOTE 8 - NON CURENT INVESTMENTS</b>	<b>Face Value</b>	<b>Quantity (Nos.) year ended 31-Mar-16</b>	<b>Quantity (Nos.) year ended 31-Mar-15</b>	<b>Year ended 31-Mar-16</b>	<b>Year ended 31-Mar-15</b>
<b>Investment in Equity Instruments:</b>					
<b>In other Companies:</b>					
Quoted, Fully Paid-up				1,55,600	1,55,600
a) Citurgia Biochemicals Limited	10	15,560	15,560	49,38,50,417	49,38,50,417
b) Bombay Burmah Trading Corporation Limited	2	1,30,38,600	1,30,38,600	2,36,90,150	2,36,90,150
c) National Peroxide Limited	10	2,85,000	2,85,000	1,18,22,616	1,18,22,616
d) D. B. Realty limited	10	25,262	25,262		
<b>Aggregate amount of quoted investments</b>				<b>52,95,18,783</b>	<b>52,95,18,783</b>
<b>Market value of Quoted Investment</b>				<b>4,96,04,75,725</b>	<b>5,89,59,04,606</b>

# ARCHWAY INVESTMENT COMPANY LIMITED

## Notes on Financial Statements for the year ended March 31, 2016

(Amount in ₹)

<b>NOTE 9 - CASH AND BANK BALANCES</b>	<b>Year ended 31-Mar-16</b>	<b>Year ended 31-Mar-15</b>
<b>Cash and Cash Equivalents</b>	<b>616</b>	<b>503</b>
Cash on Hand		
Balances with Banks	<b>6,43,00,929</b>	<b>31,732</b>
In Current Accounts		
<b>Total</b>	<b>6,43,01,545</b>	<b>32,235</b>

(Amount in ₹)

<b>NOTE 10 - SHORT-TERM LOANS AND ADVANCES</b> (Unsecured, Considered Good)	<b>Year ended 31-Mar-16</b>	<b>Year ended 31-Mar-15</b>
<b>Loans and Advances:</b>	<b>25,10,13,019</b>	<b>78,30,00,000</b>
Inter corporate deposits		
<b>Others</b>	<b>4,28,40,458</b>	<b>3,90,67,044</b>
Advance income tax (Net of Provisions)		
<b>Total</b>	<b>29,38,53,477</b>	<b>82,20,67,044</b>

(Amount in ₹)

<b>NOTE 11 - REVENUE FROM OPERATIONS</b>	<b>Year ended 31-Mar-16</b>	<b>Year ended 31-Mar-15</b>
Interest on Inter corporate deposits	<b>8,15,73,663</b>	<b>8,30,00,629</b>
Interest - others	-	<b>50,959</b>
Other Financial Services	<b>1,44,67,600</b>	<b>1,73,17,025</b>
Dividend on shares		
<b>Total</b>	<b>9,60,41,263</b>	<b>10,03,68,613</b>

(Amount in ₹)

<b>NOTE 12 - OTHER INCOME</b>	<b>Year ended 31-Mar-16</b>	<b>Year ended 31-Mar-15</b>
Miscellaneous Income	<b>11,765</b>	-
Gain on sale of shares (Net)	-	<b>6,69,370</b>
<b>Total</b>	<b>11,765</b>	<b>6,69,370</b>

(Amount in ₹)

<b>NOTE 13 - FINANCE COST</b>	<b>Year ended 31-Mar-16</b>	<b>Year ended 31-Mar-15</b>
Interest on Inter corporate deposits	<b>6,77,70,328</b>	<b>7,60,15,900</b>
Other borrowing cost	<b>21,073</b>	<b>1,41,998</b>
	<b>6,77,91,401</b>	<b>7,61,57,898</b>

# ARCHWAY INVESTMENT COMPANY LIMITED

Notes on Financial Statements for the year ended March 31, 2016

(Amount in ₹)

<b>NOTE 14 - OTHER EXPENSES</b>	<b>Year ended 31-Mar-16</b>	<b>Year ended 31-Mar-15</b>
Legal & Professional Fees	4,61,743	27,472
Franking charges	-	53,21,500
Miscellaneous Expenses	26,114	37,135
Payment to Auditors	46,456	33,708
- Audit Fees	4,494	4,494
- Tax Audit Fees	-	11,236
- Other Services	-	-
<b>Total</b>	<b>5,38,807</b>	<b>54,35,545</b>

(Amount in ₹)

<b>NOTE 15 - THE DETAILS AS REQUIRED IN TERMS OF PARAGRAPH 9BB OF NON-BANKING FINANCIAL COMPANIES PRUDENTIAL NORMS (RESERVES BANK ) DIRECTIONS, 1998</b>	<b>Amount outstanding</b>	<b>Amount overdue</b>
<b>Liabilities Side:</b>		
<b>1) Loan and Advance availed by the NBFCs inclusive of interest accrued thereon but not paid</b>		
a) Debentures:		
Secured		
Unsecured	3,35,00,000	-
<i>(Other than falling within the meaning of public deposits*)</i>		
b) Deferred Credits.	-	-
c) Term Loans	-	-
d) Inter-corporate loans and borrowings	20,50,00,000	-
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) Other Loans (Specify nature, un-secured loan)	-	-
<b>2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)</b>		
a) In the form of Unsecured debentures	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security.	-	-
c) Other public deposits	-	-
<b>Assets side:</b>		
<b>3) Break-up of Loans and Advance including bills receivables {other than those included in (4) below}</b>		
(a) Secured	-	-
(b) Unsecured	25,10,26,038	-
<b>4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>		
(i) Lease assets including lease rentals under sundry debtors		
a) Financial Lease	-	-
b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors		
a) Assets on hire	-	-
b) Repossessed Assets	-	-
(iii) Hypothecation loans counting towards EL/HP activities		
a) Loans where assets have been repossessed	-	-
b) Loans other than (a) above	-	-

# ARCHWAY INVESTMENT COMPANY LIMITED

Notes on Financial Statements for the year ended March 31, 2016

(Amount in ₹)

NOTE 15 - THE DETAILS AS REQUIRED IN TERMS OF PARAGRAPH 9BB OF NON-BANKING FINANCIAL COMPANIES PRUDENTIAL NORMS (RESERVES BANK ) DIRECTIONS, 1998		Amount outstanding	Amount overdue
<b>5) Break-up of Investments:</b>			
<b>Current Investments:</b>			
1. Quoted:			
(i) Shares: (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Other (please specify)		-	-
2. Un-quoted			
(i) Shares: (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Other (please specify)		-	-
<b>Long Term Investments:</b>			
1. Quoted:			
(i) Shares: (a) Equity		52,95,18,783	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Other (please specify)		-	-
2. Un-quoted.			
(i) Shares: (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Other (please specify)		-	-
<b>6) Borrow group wise classification of all leased Assets, Stock-on-hire and loans and advances: **</b>			
Category	Amount net of provisions		
	Total	Secured	Unsecured
1. Related parties ***			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	-	-
<b>Total</b>	-	-	-
<b>7) Investor group-wise classification of all investments (current and long term) in shares and securities ( both quoted and unquoted): ***</b>			
Category	Market Value/Break-up or fair value of NAV		Book Value (Net of Provision)
1. Related parties ***			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	4,96,04,75,725	52,95,18,783	
<b>Total</b>	<b>4,96,04,75,725</b>	<b>52,95,18,783</b>	



# ARCHWAY INVESTMENT COMPANY LIMITED

Notes on Financial Statements for the year ended March 31, 2016

NOTE 15 - THE DETAILS AS REQUIRED IN TERMS OF PARAGRAPH 9BB OF NON-BANKING FINANCIAL COMPANIES PRUDENTIAL NORMS (RESERVE BANK ) DIRECTIONS,1998		(Amount in ₹)	
		Amount outstanding	Amount overdue
<b>8) Other information</b>			
(i) Gross Non-Performing Assets			
(a) Related Parties		-	
(b) Other than related parties		-	
(ii) Net Non-Performing Assets			
(a) Related Parties		-	
(b) Other than related parties		-	
(iii) Assets acquired in satisfaction of debts		-	

## Notes:

\* As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions,1998.

\*\* Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions,1998

\*\*\* All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets acquired in satisfaction of debts. However, market value in respect of quoted investment and break-up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

# ARCHWAY INVESTMENT COMPANY LIMITED

## Notes on Financial Statements for the year ended March 31, 2016

### 16. Contingent Liabilities

(Amount in Rs.)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Income tax matters	4,03,38,749	2,96,74,410

17. There were no employees on payroll of the company during the period and no retirement benefits were paid. Hence the disclosure as required by AS 15 (Revised), "Accounting for Retirement Benefits" issued by Institute of Chartered Accountants of India are not given.

### 18. Related Party Information (AS-18)

#### (a) Holding Company:

The Bombay Dyeing & Mfg. Co. Ltd.

#### (b) Transactions with related Parties:

(Amount in Rs.)

Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
1	Inter corporate deposits (ICD's) Taken - The Bombay Dyeing & Manufacturing Co. Ltd.	33,04,00,000	30,40,00,000
2	Repayment of Inter corporate deposits (ICD's) The Bombay Dyeing & Manufacturing Co. Ltd.	54,29,00,000	9,15,00,000
3	Interest paid on Inter corporate deposits (ICD's) - The Bombay Dyeing & Manufacturing Co. Ltd.	2,46,86,365	3,03,53,121
4	Interest income on Inter corporate deposits (ICD's) given - The Bombay Dyeing & Manufacturing Co. Ltd.	1,65,753	Nil
5	Conversion of debenture to Equity shares - The Bombay Dyeing & Manufacturing Co. Ltd.	Nil	47,65,000

# ARCHWAY INVESTMENT COMPANY LIMITED

## Notes on Financial Statements for the year ended March 31, 2016

### (c) Balance with related Parties:

(Amount in Rs.)

Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
1	Inter corporate deposits (ICD's) Taken - The Bombay Dyeing & Manufacturing Co. Ltd.	Nil	21,25,00,000
2	Convertible Debentures - The Bombay Dyeing & Manufacturing Co. Ltd./	3,35,00,000	3,35,00,000

### 19. Earnings per shares ('EPS') (AS-20)

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
<b><u>Basic earnings per share</u></b>		
(a) Net Profit after tax attributable to equity shareholders	2,24,22,820	1,64,44,540
(b) Calculation of weighted average number of equity shares of Rs. 100/- each		
- Number of shares at the beginning of the year	52,05,000	4,40,000
- Number of shares issued during the year	-	47,65,000
- Number of shares brought back during the year	-	-
Total number of equity shares outstanding at the end of the year	52,05,000	52,05,000
Weighted average number of equity shares outstanding during the year	52,05,000	24,57,342
Basic earnings per share of Rs. 100 each (in Rupees) (a / b)	4.31	6.69

# ARCHWAY INVESTMENT COMPANY LIMITED

## Notes on Financial Statements for the year ended March 31, 2016

<b><u>Diluted Earnings per share</u></b>		
(a) Net Profit after tax attributable to equity shareholders	<b>2,24,22,820</b>	1,64,44,540
(b) Number of shares considered as basic weighted average shares outstanding during the year	<b>52,05,000</b>	24,57,342
Add: Effect of dilutive common equivalent shares	<b>3,35,000</b>	3,35,000
Total number of shares considered as weighted average shares and potential shares	<b>55,40,000</b>	27,92,342
Diluted earnings per share of Rs. 100 each (in Rupees) (a / b)	<b>4.05</b>	5.89

20. Previous year's figures have been regrouped / reclassified, wherever necessary.

As per our Report of even date

For and on behalf of

**SANDIP SHAH & Co**

Chartered Accountants

Firm Reg. No.: 133680W

For and on behalf of the Board of

SD/-  
**Mr. D. S. Gagrati**

SD/-  
**Mr. R. V. Sarma**

SD/-  
**Sandip Shah**

Proprietor

Membership No.: 103125

SD/-  
**Mr. S. Raja**

Place: Mumbai

Date: 07.06.2016

SD/-  
**Mr. Shailesh Karnik**

SD/-  
**Geeta Krishnan**  
Company Secretary & Chief Financial Officer