Arshiya

Ref: AL/SE/092021/01

Date: 03rd September, 2021

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

BSE Limited
Corporate Relationship Department
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

Dear Sir/ Ma'am,

Subject: Notice of the 40th Annual General Meeting ("the Notice") and Annual Report of the Company for the F. Y. 2020-21

In terms of the requirements of Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the F.Y. 2020-21 and the Notice convening 40th Annual General Meeting (AGM) of the Company, which is being sent through electronic mode to the Members.

The 40th AGM of the Company is scheduled to be held on Monday, 27th September, 2021 at 11.30 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the business as set out in the Notice, in accordance with the relevant circulars issued by Ministry of Corporate Affairs and the Securities Exchange Board of India.

The aforesaid documents are being dispatched electronically to those Members whose email IDs are registered with the Company/ Bigshare Services Pvt. Ltd ("Registrar and Transfer Agents" of the Company) or the Depositories.

The aforesaid documents are also available on the website of the Company at www.arshiyalimited.com.

Kindly take the above information on record.

Thanking you.

Yours faithfully
For ARSHIYA LIMITED

ARSHIYA LIMITED MUMBAI

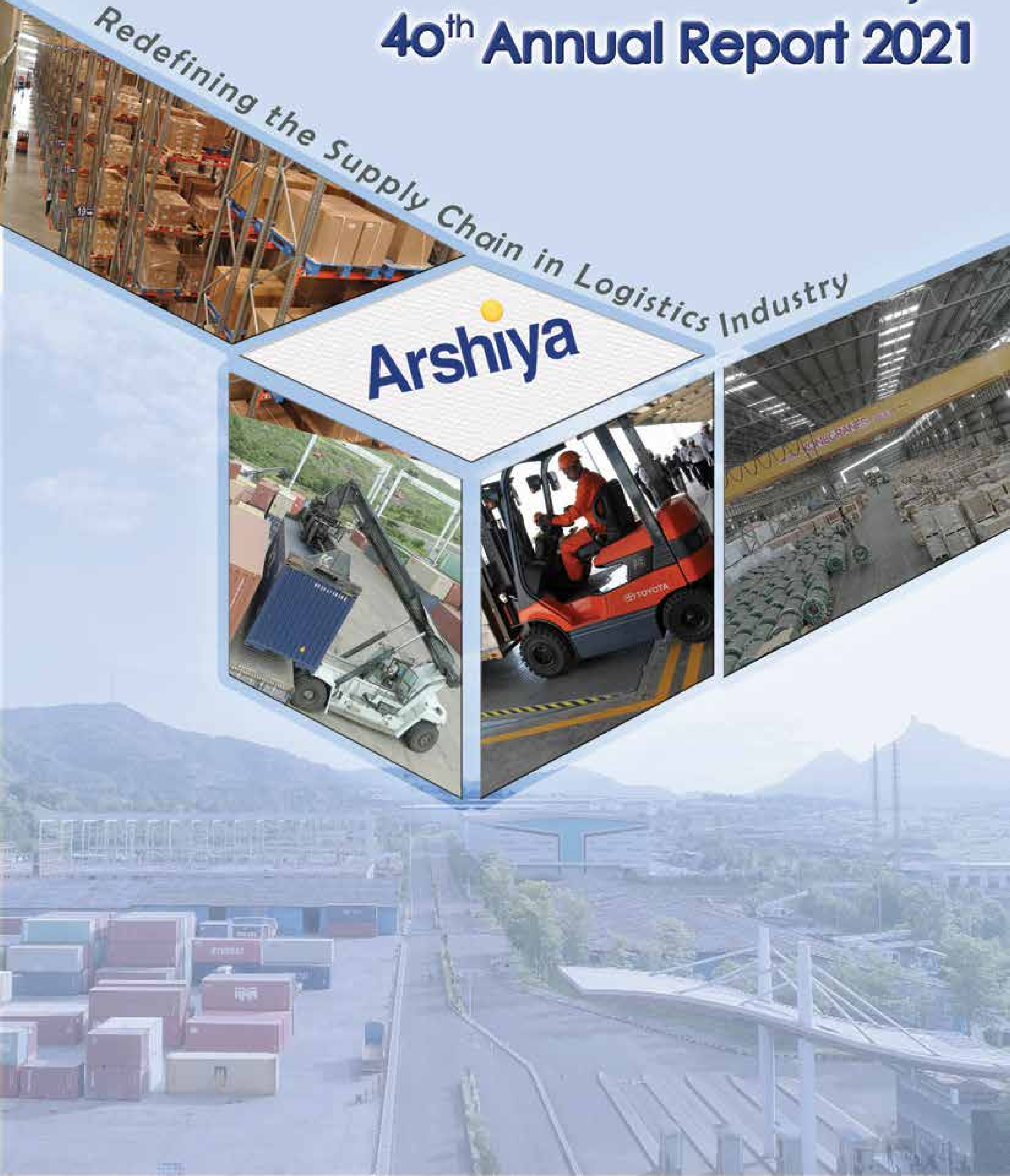
Ratika Gandhi
Company Secretary & Compliance Officer

Encl : As above

Arshiya

40th Annual Report 2021

Redefining the Supply Chain in Logistics Industry



Company Highlights

Best in class handling equipment to drive efficiency and promote cost effective solutions to clients

Aggressive business development efforts underway to drive larger client adoption to effectively utilise the created infrastructure

Company Highlights

India's first ever fully functional FTWZ with world class Infrastructure spread across 165 acres in Panvel, Mumbai and 135 acres khurja, New Delhi.

Scalable infrastructure with completion of Warehouse no 7 and starting construction of Warehouse no 8. Currently the company has 20,000 sq.m of warehousing space.

FTWZ at Khurja, declared as multipurpose SEZ which further increasing the suites of services at Arshiya

Letter to Shareholders

" We at 'Arshiya' have always been unique in our business strategies and our approaches which has been proven to be ahead of time."

Ajay S Mittal , Chairman & Managing Director

I hope you and your family are safe and healthy in these difficult times of COVID -19 pandemic. Undoubtedly previous year has been a great economic and resilience test – however, your Company has managed to maintain the sustainable growth and its monopolistic presence.

Your Company was the first to introduce India's first Free Trade and Warehousing Zone (FTWZ) in Panvel. We at 'Arshiya' have been always unique in our business strategies and our approaches which has been proven to be ahead of time. Your Company has provided foremost integrated supply chain and logistics infrastructure solutions. As the Company falls under the premise of the SEZ law, the FTWZs offers` immense benefits to the companies with import, export, and trading activities out of India. The FTWZs allows flexibility towards end-distribution through duty deferment, higher inventory visibility, reduced buffer stocks, and overall lower product costs enabling flexible and hassle-free re-export in addition to other advantages.

The previous year due to the continued impact of the Covid-19 pandemic resulted in stagnant economic performance, foreign exchange rate fluctuations, and a downturn in some sectors globally and have posed challenges to economic growth.

Your Company generated operating revenues of Rs. 220.64 Crores in financial year 2020-21. I am happy to announce the completion of construction of Warehouse no 7 in the previous financial year, wherein your Company has been associated with Ascendas (now CapitaLand) which is a globally prominent infrastructure / real estate investor. We have already taken a step ahead and initiated the due diligence for the commencement of construction of warehouse 8 in coming financial year.

With our perseverance your company under its wholly owned subsidiary Arshiya Northern FTWZ Limited having Free trade warehousing zone (FTWZ) at Khurja (Uttar Pradesh) has been declared as Multi Purpose SEZ in March 2021. This will increase the suite of services provided by Arshiya Group to include manufacturing (i.e. assembly of mobile, telephone, other electronics devices and Defence sector for availing off-set benefits) services along with FTWZ services already offered to our customers.

Given the Governments push toward an Atmanirbhar India (PLI scheme) as well as a global push of multinationals to have a 'China - Plus One' strategy, the Company sees this as a strategic foray into offering assembly-like manufacturing services to Global Marquee Clients in multiple sectors.

Your Company has moved a similar application for conversion of Arshiya Panvel FTWZ Services Private Limited has also been made to be declared as a Multi-Purpose SEZ.

Arshiya's FTWZ has developed a huge interest from Global & Indian business houses that shall enable them to leverage India's cost and skill arbitrage and be able to tap into India's market potential with far more ease and efficiency.

Your Company has been very focussed, we expect that advanced economies will recover faster, supported by fiscal stimulus and vaccination mechanisms. Industries have seen varied impact for continuity of operations, supply chains and consumer demand.

Letter to Shareholders

Your Company's customer base has been always geographically diversified as we operate on a pan India basis. This mitigates risks arising from geopolitical and currency volatility to a certain degree also as a key achievement has been making its presence in the 'Defence sector' which is very niche sector to be part of.

During the past year, amidst travel restrictions and lock-downs instituted by various governments across geographies, your Company ensured safety and wellbeing of all its employees, and facilitated a seamless transition for employees to work from home, supported with processes and tools for remote working, communication, and collaboration.

The strategic diversification, seamless continuity of delivery and operations, and investments in improving offerings and sales enabled the Company to increase operating revenue in a year which is part of the annual reports where the global economy was contracting.

In the year ahead, your Company intends to energise the business development function by inducting professionals resulting in a steady warehouse build and fill-out. Debt reduction is another item high on the management agenda. In a post GST era and armed with our new multi-purpose SEZ approval, we intend to target new addressable markets such as e-commerce and assembly style manufacturing. Data Centres is a medium-term growth agenda. We hope all the above actions will generate good shareholder value and make your Company a force to reckon with in the high potential, niche business areas of scaled warehousing and data centres.

I would like to extend my gratitude to our management team, staff, and business associates for their contribution and commitment towards Arshiya Group.

I take this opportunity to also record my appreciation for my fellow directors for guiding the Company amidst this challenging operating environment. We recognize the difficult period that the entire economy has witnessed in the past few quarters and the predominance of individual retail investors in our investor base.

Last but not least, on behalf of the entire Board of Directors and the management team, I would like to thank you for your continued trust, guidance and support.

Ajay S Mittal

Chairman and Managing Director

Board Of Directors

Ajay S Mittal
Group Chairman
& Managing Director

Archana A Mittal
Joint Managing Director

Ashishkumar Bairagra
Independent Director &
Chairman of Audit Committee

Rishabh Shah
Independant Director

Manjari Kacker
Independant Director

Ved Prakash
Independant Director

Arshiya

Arshiya 40th Annual Report 2020-21

Contents

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ajay S Mittal - Chairman and Managing Director

Mrs. Archana A Mittal - Joint Managing Director

Mr. Ashishkumar Bairagra - Non-Executive Independent Director

Mr. Rishabh Shah - Non-Executive Independent Director

Mrs. Manjari Ashok Kacker - Non - Executive Independent Director

Mr. Ved Prakash - Non - Executive Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Dinesh Kumar Sodani - Chief Financial Officer (CFO)

Mrs. Ratika Gandhi – Company Secretary & Compliance Officer (w.e.f. 12th February, 2021)

Mrs. Yesha Maniar - Company Secretary & Compliance Officer (25th August, 2020 – 31st October, 2020)

Mrs. Savita Dalal - Company Secretary & Compliance Officer (upto 24th April, 2020)

AUDITORS
Chaturvedi & Shah LLP, Chartered Accountants
(Statutory Auditors)
714/715, Tulsiyani Chembars, 212, Nariman Point,
Mumbai – 400 021.

M. A. Parikh & Co., Chartered Accountants
(Internal Auditor)
Yusuf Building, 2nd Floor, 43 Mahatma Gandhi Road, Fort,
Mumbai – 400 001.

Aabid & Co., Company Secretaries
(Secretarial Auditor)
302, 22-Business Point, SV Road
Opp Andheri Sub-Way, Next to DCB Bank, Andheri West,
Mumbai – 400 058.

LIST OF BANKERS

- Axis Bank Ltd.
- Bank of India
- Union Bank of India (e-Corporation Bank)
- ICICI Bank Ltd.
- IDBI Bank Ltd.
- IDFC First Bank Ltd.
- Punjab National Bank
- State Bank of India
- The Karur Vysya Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENT
Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Makwana Road, Marol,
Andheri East, Mumbai - 400 059.
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
T: +91 22 4230 5500
F: +91 22 4230 5555
Website:www.arshiyalimited.com
E- Mail: teamsecretarial@arshiyalimited.com
CIN NO.:- L93000MH1981PLCO24747
GSTIN: 27AAACI2679A1ZT

ARSHIYA SITES:
1) **FTWZ - Panvel, Maharashtra**
   181/3, Sai Village, Taluka Panvel,
   Dist Raigad, Raigad, Maharashtra - 410206

2) **FTWZ - Khurja, UP**
   Junction Road, Industrial Area,
   Village - Maujpur, Khurja,
   Distt - Bulandshahr, U.P -203131

NOTICE

NOTICE IS HEREBY GIVEN THAT the 40th (Fortieth) Annual General Meeting (AGM) of the Members of Arshiya Limited to be held on the Monday 27th September, 2021 at 11.30 a.m (IST) through Video Conference / Other Audio-Visual means, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt:

(a) The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2021, together with the Reports of the Board of Directors and Auditor's thereon.

(b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2021, together with the Report of the Auditor's thereon.

2. To appoint director in place of Mrs. Archana Mittal (DIN: 00703208), who retires by rotation and being eligible offers herself for Re-appointment.

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

By Order of the Board of Directors
Arshiya Limited

Ratika Gandhi
Company Secretary & Compliance Officer
Membership No. A29732

Date : 13th August, 2021
Place: Mumbai

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated 05th May, 2020 in relation to clarification on holding of annual general meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') read with General Circulars No. 14/2020 dated 08th April, 2020, No. 17/2020 dated 13th April, 2020, No. 33/2020 dated 28th September, 2020, No. 39/2020 dated 31st December, 2020 and No. 10/2021 dated 23rd June, 2021 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' and General Circular No.02/2021 dated 13th January, 2021 (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – COVID-19 pandemic' and circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting ('AGM'/'the Meeting') through VC/ OAVM, without the physical presence of the Members at a common venue for the Annual General Meeting is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and **participate** in the ensuing AGM through VC/OAVM on **27th September 2021 at 11.30 a.m.** IST. The deemed venue of the AGM will be the Registered Office of the Company 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

2. The relevant details of the Directors seeking appointment and re – appointment under Item No(s). 2 as required by Regulation 26(4) and 36(3) of the SEBI Listing Regulations and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed thereto.

3. **Proxies:**

Pursuant to the provisions of the act, a member entitled to attend and vote at the agm is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. since this AGM is being held pursuant to the MCA circulars through vc/oavm, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars and the SEBI circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the **proxy form, attendance slip and route map** of agm are not annexed to this notice.

In pursuance of section 112 and section 113 of the Companies Act, 2013, the Institutional investors and Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Members are required to send, (before e-voting/ attending AGM) a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, pursuant to section 113 of the Act on the Company`s e-mail id : teamsecretarial@arshiyalimited.com and RTA email ID : info@bigshareonline.com.

In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the annual general meeting.

4. The Members can join the AGM in the VC/OAVM mode 30 (thirty) minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 08th April, 2020, 13th April, 2020 and 05th May, 2020 and 13th January, 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.arshiyalimited.com . The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com .

8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 08th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 05th May, 2020 and General Circular No. 02/2021 dated 13th January, 2021.

9. Pursuant to Section 91 of the Companies Act 2013 and Regulation 42 of the SEBI Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from **Monday, 20th September, 2021 to Sunday, 26th September, 2021** (both days inclusive).

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

1. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/ CIR/P/2020/79 dated 12th May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated 15th January, 2021 issued **by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).**

2. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at teamsecretarial@arshiyalimited.com also to our Registrar & Transfer Agent (RTA) Bigshare Services Private Limited at jibu@bigshareonline.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to our RTA Bigshare Services Private Limited at jibu@bigshareonline.com & to the Company at teamsecretarial@arshiyalimited.com

(a) The Notice of 40th AGM along with Annual Report for the financial year 2020-21, is available on the website of the Company at www.arshiyalimited.com on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

3. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at https://www.evoting.nsdl.com under Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

4. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.

5. Members who need assistance before or during the AGM with use of technology, can: - Send a request at evoting@nsdl.co.in or use Toll free no.: 1800-222-990; or - Contact Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: evoting@nsdl.co.in or AmitV@nsdl.co.in or at telephone number +91-99202 64780; or - Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone number +91-75066 82281.

6. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM. In case any Institutional Members, facing issues for participating in AGM can write to RTA or Company.

7. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot. may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

9. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at teamsecretarial@arshiyalimited.com questions / queries received by the Company till **5.00 p.m. on Saturday, 25th September, 2021** shall only be considered and responded during the AGM.

10. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by visiting the link https://www.evoting.nsdl.com between **9.00 a.m. on Thursday, 23rd September, 2021 and 5.00 p.m. on Saturday, 25th September, 2021.**

11. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

12. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.

13. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **17th September, 2021** i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

14. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at **09:00 a.m. on Friday, 24th September, 2021** and will end at **05:00 p.m. on Sunday, 26th September, 2021**. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM.

Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at https://www.evoting.nsdl.com/.

15. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at https://www. evoting.nsdl.com/ How to Log-in to NSDL e-voting website?

(a) Visit the e-voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/.

(b) Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.

(c) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

(d) Your User ID details are given below :

Manner of holding shares	Your User ID is:
For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example: if your DP ID is IN300*** and Client ID is 12****** then your User ID is IN300***12******
For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example: if your Beneficiary ID is 12************** then your User ID is 12**************
For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example: if folio number is 001*** and EVEN is 117357 then your User ID is 117357001***

(e) Your password details are given below:

i. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

ii. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

iii. How to retrieve your 'initial password'?

– If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

– If your email ID is not registered, please follow steps mentioned in Note No. 2 above.

(f) If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

i. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

ii. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

Step 2: Cast your vote electronically on NSDL e-voting system.

How to cast your vote electronically on NSDL e-voting system?

(a) After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.

(b) After click on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.

(c) Select 'EVEN' of Company i.e. 117357 for which you wish to cast your vote.

(d) Now you are ready for e-voting as the voting page opens.

(e) Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

(f) Upon confirmation, the message 'Vote cast successfully' will be displayed.

(g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

(h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The instructions for Members for e-voting on the day of the AGM are as under:

(a) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

(b) Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

(c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(d) For details of the person who may be contacted for any assistance connected with the facility is mentioned hereunder in this notice for e-voting on the day of the AGM.

The instructions for Members for attending the AGM through VC/OAVM are as under:

a) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

b) Members are encouraged to join the Meeting through Laptops for better experience.

c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

e) Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at email id: teamsecretarial@arshiyalimited.com . The same will be replied by the company suitably.

GENERAL INFORMATION:

16. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.

17. The voting rights shall be as per the number of equity shares held by the Member(s) as on **Friday, 17th September, 2021**, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.

18. The Company has appointed CS Jitender Singh, Practising Company Secretary (C. P. No. 12463), to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

19. The results of the electronic voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company at www.arshiyalimited.com

PROCEDURE FOR INSPECTION OF DOCUMENTS:

20. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on teamsecretarial@arshiyalimited.com.

21. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and Annexure to Notice shall be made available for inspection. During the 40th AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act; the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act; the certificate from the Statutory Auditors of the Company stating that the Company has implemented the Arshiya Limited Employees Stock Option Scheme 2019 ('Scheme') in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and the Special resolution passed by the Members of the Company approving the Scheme on 30th September, 2019. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at teamsecretarial@arshiyalimited.com.

OTHERS:

22. Chaturvedi & Shah LLP, having (Firm Registration No- 101720W/W100335), Chartered Accountants, the Statutory Auditors of the Company will hold office until the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2022. Pursuant to the notification dated 7th May, 2018, issued by Ministry of Corporate Affairs, the requirement for ratification of appointment of Statutory Auditors by the shareholders at every Annual General Meeting has been done away with. In view of the above, ratification by the members for continuance of their appointment in the ensuing Annual General Meeting is not being sought.

23. In terms of Section 152 of the Companies Act, 2013 A brief resume of the Director proposed to be re-appointed at this AGM, nature of their expertise in specific functional areas, names of companies in which they hold directorship and membership/ chairmanships of Board Committees, shareholding and relationship between directors inter se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Secretarial Standard-2 on General Meetings, are appended below.

24. **SHARE TRANSFERS:-**

    As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

25. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Big Share Services Private Limited RTA of the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque through email at jibu@bigshareonline.com and teamsecretarial@arshiyalimited.com. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

26. 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.

27. Members can also provide their feedback on the shareholder services of the Company using the 'Shareholders Satisfaction Survey' form available on the 'Investor Relations' page of the website of the Company at www.arshiyalimited.com This feedback will help the Company in improving Shareholder Service Standards.

Information required to be provided as per Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, regarding the Directors who are proposed to be appointed / reappointed is as below:

Agenda Item No. 2	
Name of Directors	Mrs. Archana A Mittal
Designation	Joint Managing Director
Date of Birth	14/04/1967
Age (years)	54
Qualifications	Graduate in Bachelor of Arts (Honours) from Punjab University.

Brief Profile including expertise in specific functional areas	Mrs. Archana A Mittal leads the projects and procurement at Arshiya. Her vision and leadership has been critical for the company's transformation into India's premier Logistics Infrastructure Company. Mrs. Archana A 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-ofthe- art two FTWZs, in Mumbai - Panvel spanning 165acres and another in North Khurja - spanning 135acres. Mrs. Mittal is also very active with various social reform organizations across India especially in the field of girl-child education and women empowerment.
Directorships held in other Companies	As per Annexure 1
Memberships of committees of other public companies	As per Annexure 2
Chairmanships of committees of other public companies	Nil
Shareholding (No. of shares)	86,059,788 Shares
Relationship with Directors, Manager or other KMP	Wife of Mr. Ajay S Mittal, Chairman and Managing Director of the Company.
Number of Board Meeting attended during the year	3

ANNEXURE – 1

Directorships held in other Companies – Mrs. Archana A Mittal

Sr. No.	Names of the Companies / Bodies Corporate / Firms / Association of Individuals	Directorship
1	Arshiya Northern FTWZ Limited	Director
2	Arshiya Industrial & Distribution Hub Limited *	Director
3	Mega Meditex Limited#	Director

* merged pursuant to the order of National Company Law Tribunal (NCLT) order dated 6th December, 2019.

Company is under liquidation

ANNEXURE – 2

Memberships / Chairmanships of committees of other public companies – Mrs. Archana A Mittal

Sr. No.	Name of the Company	Type of Committee Position	Position
Nil	Nil	Nil	Nil

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

By Order of the Board of Directors
Arshiya Limited

Ratika Gandhi
Company Secretary & Compliance Officer
Membership No. A29732

Date : 13th August, 2021
Place: Mumbai

BOARD'S REPORT 2020-21

Dear Members,

The Board of Directors hereby submits the reports of the business and operations of your Company ("the Company" or "Arshiya Limited") alongwith the audited financial statements, for the financial year ended 31st March, 2021. The consolidated performance of the Company and its subsidiaries have been referred to wherever required.

1. FINANCIAL HIGHLIGHTS:

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	Financial Year Ended 31.03.2021	Financial Year Ended 31.03.2020	Financial Year Ended 31.03.2021	Financial Year Ended 31.03.2020
Income from Operations	6,720.59	23,868.15	22,064.03	29,448.35
Total Expenditure	2,479.72	7,793.95	13,500.23	20,040.47
Operating Profit/(Loss)	4,240.87	16,074.20	8,563.80	9,407.88
Other Income	1,833.15	1,229.28	5,389.11	1,317.06
Profit before interest, finance cost, depreciation, amortization, exceptional item and tax	6,074.02	17,303.48	13,952.91	10,724.94
Finance Cost	14,812.38	13,122.32	38,460.21	33,625.39
Cash Profit/(Loss)	(8,738.36)	4,181.16	(24,507.30)	(22,900.45)
Depreciation and Amortization Expenses	1,289.67	1,571.09	12,082.76	14,284.97
Profit/(Loss) Before Exceptional Items, Prior Period Adjustment and Tax	(10,028.03)	2,610.07	(36,590.06)	(37,185.42)
Exceptional Items (Net)	-	108,062.25	-	7,810.00
Profit/(Loss) Before Tax	(10,028.03)	(105,452.18)	(36,590.06)	(44,995.42)
Tax Expenses	-	1,102.96	8.64	1,109.93
Net Profit/(Loss) After Tax from Continuing Operations	(10,028.03)	(106,555.14)	(36,598.70)	(46,105.35)
Net Profit/(Loss) After Tax from Discontinuing Operations	-	-	(224.44)	(111.10)
Net Profit/(Loss) After Tax	(10,028.03)	(106,555.14)	(36,823.14)	(46,216.45)
Add: Other Comprehensive Income (Items that will not be re classified to profit and loss)	1.93	26.35	14.45	55.26
Total Comprehensive Income carried to other Equity	(10,026.10)	(106,528.79)	(36,808.69)	(46,161.19)

2. RESULTS OF OPERATIONS:

Standalone:

During the year under review your Company has reported a standalone total income of ₹ 6,720.59 Lakhs as compared to ₹ 23,868.15 Lakhs for the previous year. Further, your Company has reported loss of (₹ 10,028.03 Lakhs) as compared to the loss of (₹ 1,06,555.14 Lakhs) in previous year.

Consolidated:

During the year under review your Company has reported a consolidated total income of ₹ 22,064.03 Lakhs as compared to ₹ 29,448.35 Lakhs for the previous year. Further, your Company has reported loss after tax of (₹ 36,823.14 Lakhs) as compared to the loss of (₹ 46,216.45 Lakhs) in previous year.

3. DIVIDEND:

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the financial year ended 31st March, 2021.

4. CHANGE IN CAPITAL STRUCTURE:

The Authorised Share Capital of your Company is ₹ 60,50,00,000/- (Rupees Sixty Crores Fifty Lakh only) divided into 28,75,00,000 (Twenty Eight Crores Seventy Five Lakh) Equity Shares of ₹ 2/- (Rupees Two only) each and 30,00,000 (Thirty Lakhs Only) Zero Percent Optionally Convertible Redeemable Preference Shares of ₹ 10/- (Rupees Ten Only).

Further, your Company has allotted equity shares on conversion of Zero percent Optionally Convertible Redeemable Preference Shares (OCRPS) and under ESOP Scheme, 2019 during the year. The details of changes in capital structure forms part of corporate governance section of this Annual Report.

5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY:

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

6. DEPOSITS:

During the year under review, your Company did not accept any deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014. No amounts were outstanding which were classified as 'Deposits' under the applicable provisions of Companies Act, 2013 as on the date of Balance Sheet and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

7. MATERIAL CHANGES AND COMMITMENT – IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT:

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

8. SUBSIDIARIES AND ASSOCIATES COMPANIES:

As on 31st March, 2021 the Company has 14 (fourteen) subsidiaries companies. Further that 4 (Four) out of the fourteen subsidiaries companies namely **(a) Arshiya Rail Infrastructure Limited, (b) Arshiya Northern FTWZ Limited, (c) Arshiya Lifestyle Limited** and **(d) Arshiya Logistics Services Limited** are identified to be the Material Subsidiaries in terms of listing regulations. There are no associates or joint venture Companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company as an ***Annexure I***.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company. http://www.arshiyalimited.com/annual-reports-subsidiaries.html

During the year following changes have taken place in the subsidiary companies.

Subsidiary Incorporated/Acquired/ Disposed off:

During the year under review, your Company has neither incorporated any subsidiary company nor any step-down subsidiary Company.

However, The Board of Directors of the Company have approved the acquisition of entire equity share capital of AMD Business Support Services Private Limited, Consequent to this and with effect from 08th April, 2020, AMD Business Support Services Private Limited has become a wholly owned subsidiary of the Company.

The Company has disposed off its entire equity holding in AMD Business Support Services Private Limited ("Wholly Owned Subsidiary"), AMD has ceased to be the Company's wholly-owned subsidiary and has become a step down subsidiary of the Company w.e.f. 13th August, 2021.

The Company has incorporated a step down subsidiary namely Arshiya Distribution Hub Private Limited (which is a wholly owned subsidiary of Arshiya Logistics Services Limited.) on 02nd July, 2021.

Mergers/Amalgamation/Demerger:

During the year under review, National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated 26th February, 2021 convened meeting of secured creditors in connection with matter of Demerger between Arshiya Limited ('Demerged Company') and Arshiya Rail Infrastructure Limited ('Resulting Company') and was approved by the secured creditors with requisite majority votes on 20th March, 2021. The matter is listed for further hearing on 6th September, 2021.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTY(IES):

The contracts or arrangements with related parties, which fall under the scope of Section 134 (3)(h) and section 188 (1) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 are appended as an **'Annexure II' in Form No. AOC -2** to the Boards Report.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval are obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. Further, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

10. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. DIRECTORS:

In accordance with the provisions of Section 149, 152 of the Companies Act, 2013 (the Act) and such other applicable provisions of the Act and as per provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which defines the composition of the Board, the Board of Directors of the Company have been constituted in compliance with the said Sections.

Further at the time of appointment of an Independent Director, the Company issues a formal letter of appointment detailing their role and function in the Company. The format of the letter of appointment is available on our website http://www.arshiyalimited.com/arshiya/assets/pdf/Appointment%20letters.pdf

As on the date of this report, the Company's Board consists of the following Independent Directors:

- Mr. Ashishkumar Bairagra
- Mr. Rishabh Shah
- Mrs. Manjari Kacker
- Mr. Ved Prakash

i. Appointment, Reappointment and Resignation:

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 for appointment, she has offered her consent for re-appointment. Your Board recommends her reappointment.

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

During the year under review, Mr. Ved Prakash had joined the Board of your Company as an (Additional) Independent Director w.e.f. 27th June, 2020 and same has been approved at the 39th Annual General Meeting held on 25th day of September, 2020 and Mr. T. S. Bhattacharya resigned as an Independent Director w.e.f. 27th June, 2020.

B. KEY MANAGERIAL PERSONNEL

As on 31st March, 2021, Mr. Ajay S Mittal- Managing Director, Mrs. Archana A Mittal- Joint Managing Director, Mr. Dinesh Kumar Sodani – Chief Financial Officer and Mrs. Ratika Gandhi- Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company, in terms of Section 2(51) read with Section 203(1) of the Companies Act, 2013.

During the year under review Mrs. Ratika Gandhi was appointed as Company Secretary & Compliance Officer w.e.f 12th February, 2021 in lieu of Mrs. Yesha Maniar who was appointed as Company Secretary & Compliance Officer as on 25th August, 2020 and resigned on 31st October, 2020 and Mrs. Savita Dalal who resigned as Company Secretary on 26th April, 2020.

i. 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.

ii. Committees of the Board

The Board have Six Committees namely Audit Committee, Nomination and Remuneration Committee, Share Transfer Investor Grievances & Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Committee of Directors and Risk Management Committee*

*Risk Management Committee was constituted on 30th June, 2021.

A detailed note on Board and its committees is provided in the corporate governance report section of this Annual Report.

iii. Board Diversity

The Company recognizes 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/arshiya/assets/pdf/Policy%20on%20Board%20Diversity.pdf

iv. Number of meetings of the Board of Directors of the Company:

During the year five meetings were held. The details of the meetings of the Board held during the financial year 2020-21 forms part of the Corporate Governance Report. Pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 173 of the Companies Act, 2013 the intervening gap between any two meetings should not exceed 120 days, however, relaxation were granted by SEBI vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19th March, 2020 and Ministry of Corporate Affairs vide General Circular No. 11/2020 dated 24th March, 2020 due to Covid- 19 pandemic.

The details of the number of meetings held and attended by each Director are provided in the Corporate Governance Report, which forms part of this Annual Report.

v. 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) Regulations, 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/arshiya/assets/pdf/NRC%20Policy.pdf

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.

vi. Board Evaluation

As per requirement of section 134(3)(p) of the Companies Act, 2013 read with Rule 8 (4) of Companies (Accounts) Rules, 2014 and other applicable rules and regulations, the Board has a formal mechanism for evaluating its performance annually based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

List of core skills, expertize, competencies required by the Board:

The Board has identified and approved the matrix setting out the list, as mentioned below, of core skills, expertise and competencies to be possessed by the Board members in general and in particular, in the context of the Company's business in order to provide guidance for the effective functioning of the Company.

The List of expertise are as below:

- Knowledge of the Bearing Industry
- Sales and Marketing Functions
- Business Strategy Function
- Planning and Sourcing
- Risk Management
- Finance, Accounting and Costing
- Legal and Regulatory compliance
- Corporate Governance
- Human Resource Management
- Risk Mitigation Planning and Management

As on 31st March, 2021, all the Directors of the Company are having the aforesaid requisite core skills, expertise and competences.

The Board has carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees, in the manner as enumerated in the Nomination and Remuneration Policy, in accordance with the provisions of the Companies Act, 2013 and 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.

Your Directors express their satisfaction with the evaluation process and inform that the performance of the Board as a whole, its Committees and its member individually were adjudged satisfactory. A detailed policy on board evaluation has been adopted by the Company which is also available on the website of the Company http://www.arshiyalimited.com/arshiya/assets/pdf/Policy%20on%20Board%20Evaluation.pdf

vii. Familiarisation Program for Independent Directors

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013, the Board has framed a Familiarization Program for the Independent Directors of the Company in order to update them with the nature of industry in which the Company operates and business model of the Company in order to familiarize them with their roles, rights, responsibilities, etc.

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/arshiya/assets/pdf/Familarisation%20programmes%20for%20ID.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.

C. 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, 2021, 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 and compliance systems established and maintained by the Company and the work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory 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 FY 2020-21.

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.

g) They have ensured that the Company adopted policies and procedures 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;

D. AUDITORS AND AUDITORS' REPORT:

i.) Statutory Auditors:

Chaturvedi & Shah LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five year from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting to be held in the year 2022.

The requirement of Annual ratification of Auditors' appointment at the AGM has been omitted pursuant to the Companies Amendment Act, 2017 notified on 7th May , 2018.

ii.) Auditors' Report:

The reports of the Statutory Auditors, Chaturvedi & Shah LLP, Chartered Accountants on the standalone and consolidated financial statements of the Company for the year ended 31st March, 2021 form part of this Annual Report. The statutory auditors have submitted modified opinion on the audit of Standalone and Consolidated financial statements for the year ended 31st March, 2021.

Management's response to the qualifications in the Auditors' Report on Standalone Financial Statement is as under:

Audit Report on Standalone Financial Statement:

As mentioned in the Note No. 43 to the financial statement, the Company has provided penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%. Interest provisions in earlier period / years were accounted based on the confirmations received from EARC. It has resulted in the short provision of interest amounting to ₹ 2,198.74 Lakh till the year ended 31st March 2020 and year ended 31st March 2021 amounting to ₹ 1,301.46 Lakh, which is not in compliance with Ind AS-23 "Borrowing Cost" read with Ind AS-109 "Financial Instruments". In aggregate interest provisions are lower by ₹ 3,500.20 Lakh till 31st March 2021. Had interest been recognised at its documented rate, finance cost for the year ended 31st March 2021 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.

Management's Views:

The management of the Company has clarified that representations have been made to EARC seeking revision in rate of penal interest and the same is under process.

Audit Report on Consolidated Financial Statement:

Details of Qualification:

As mentioned in the Note No. 50 to the consolidated financial statement,, the Group has provided penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%. Interest provisions in earlier period / years were accounted based on the confirmations received from EARC. It has resulted in the short provision of interest amounting to ₹ 3,070.96 Lakh till the year ended 31st March 2020 and year ended 31st March 2021 and ₹ 3,908.25 Lakh, which is not in compliance with Ind AS-23 "Borrowing Cost" read with Ind AS-109 "Financial Instruments". In aggregate interest provisions are lower by ₹ 6,979.21 Lakh till 31st March 2021. Had interest been recognised at its documented rate, finance cost for the year ended 31st March 2021 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.

Management's Views:

The management of the Group has clarified that representations have been made to EARC seeking revision in rate of penal interest and the same is under process.

As mentioned in Note No. 53 of the consolidated financial statement, a subsidiary company failed to make payment as prescribed as per one-time settlement with lender. As a result, event of default has occurred and the entire debt prior to date of settlement become payable along with interest. The subsidiary has not reversed the gain recorded in earlier year and not provided for additional interest till 31st March 2020 ₹ 5,975.95 Lakh and year ended 31st March, 2021 ₹ 3,036.20 Lakh, aggregating to ₹ 9,012.15 Lakh till 31st March , 2020. Had the subsidiary Company reversed the gain recorded in earlier year and provided for additional interest, exceptional item would have been lower by ₹ 6604.55 Lakh and finance cost would have been higher by ₹ 9,012.15 Lakh by equivalent amount as mentioned above, having consequential impact on total comprehensive income and other equity.

Management's Views:

The management of the subsidiary Company is in discussion with the lender to grant additional time to repay the same.

iii.) Cost Auditor:

The Cost Audit under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 is not applicable to your Company.

iv.) Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Aabid & Co., Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2020-21. The Secretarial Audit Report for the Financial Year 2020-21 forms part of this Annual Report as an ***Annexure-III*** to the Board's Report. Further, the secretarial Auditor has also certified that your Company has complied with the applicable Secretarial Standard, i.e. SS-1 and SS-2.

The Company is in compliance with Regulation 24A of the Listing Regulations. The Company's unlisted material subsidiaries undergo Secretarial Audit. Copy of Secretarial Audit Reports of these subsidiaries are annexed to this Annual Report as an ***Annexure-III A***. The Secretarial Audit report of these subsidiaries does not contain any qualification, reservation or adverse remark or disclaimer.

The Company has appointed CS Jitender Singh w.e.f. 30th June, 2021 as Secretarial Auditor of the Company to conduct Secretarial audit for the financial year 2021-22 due to the resignation caused by the previous Secretarial Auditor, Aabid & Co.

Secretarial Auditors' Report

The said report does not contain any adverse observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013 and listing regulations as may be applicable to the companies.

E. DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

Your directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India have been Complied with.

F. INTERNAL CONTROL SYSTEMS

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. A. Parikh & Co., Chartered Accountants, a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

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

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

G. REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the statutory auditors to report to the audit Committee and / or board under section 143(12) of the Act and the rules made thereunder.

H. EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

During the year the Company has not issued any equity shares with differential rights / sweat equity shares

There were no disclosure or reporting pertaining to non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

Employee Stock Options:

Your Company has allotted 17,00,000 equity shares of face value ₹ 2/- each to the eligible employees under the Arshiya Limited Employees stock option scheme, 2019 on 10th February, 2021. These shares shall rank pari-passu with the existing equity shares of the Company in all respects.

The complete details pertaining to the ESOPs allotted during the year has been given in Corporate Governance Report forming part of this Annual Report.

The Company has granted 12,00,000 equity shares to Mr. Viraj Mahadevia, Director (Strategy) of the Company (a non-Board position in the Company) on 30th June, 2021 at a price of ₹ 2 per share with a vesting period of 4 lakhs equity shares per year.

The scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. In terms of the provisions of Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, the details of the Stock Options granted under the aforesaid ESOP Scheme 2019 are uploaded on the website of the Company http://www.arshiyalimited.com/arshiya/Scheme-%20ESOP.html

I. BUSINESS RESPONSIBILITY REPORTING ("BRR"):

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the inclusion of the BRR as part of the Annual Report for the top 1,000 listed entities based on market capitalization. In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have integrated BRR disclosures into our Annual Report.

The Company's sustainability initiatives as provided in the Business Responsibility Report are in line with the key principles enunciated in "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" framed by the Ministry of Corporate Affairs. Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the said report is attached separately, which forms part of this Annual Report.

J. BUSINESS AND FUTURE OUTLOOK:

IMPACT OF COVID-19

Impact in India:

COVID-19 Impact in India, The Government of India imposed a nationwide lockdown, beginning in the last week of March 2020 which continued during the Financial Year 2020-21, as part of its pandemic containment measures, which put a majority of 1.3 billion people and domestic economic activities in suspended animation.

The Covid-19 pandemic had a significant impact on lives, livelihoods, and the business. Operational challenges mounted due to restricted movement and disrupted supply lines during the first few months of the pandemic. As the second wave of the pandemic unfolds with predictions of a third wave in the offing, our focus continues to be on our people's health & safety,

Measures taken by Company:

The sheer uncertainty arising out of the extended lockdown, supply chain disruptions, the loss of migrant labor and the evolving regulation while restarting works may have a material adverse impact on the Company's operations. The Company is closely monitoring the situation and will take all necessary measures in terms of mitigating the impact of the challenges being faced in the business as may be required in the interests of all stakeholders. The process of remobilizing sites has started as per the prevailing guidelines in the respective states. The Company has been taking necessary precautionary measures at all its project site operations to contain the spread of COVID-19 as advised by the Government and its Clients, from time to time. The Company has also followed "Work from Home" policy for its employees and continues to follow the Government guidelines pertaining to re-opening of offices.

The Company also provided masks and sanitizers and compulsory checking of body temperatures were done of all the employees and staff.

The COVID-19 pandemic has underscored the need for a resilient logistics sector that can respond to emergencies and supply chain disruptions. India has made remarkable progress in logistics sector. India's rank has improved significantly in trading across borders parameter of 'Ease of Doing Business' index from 146 in 2018 to 68 in 2020. The parameter assesses the time and cost associated with the logistical process of exporting and importing goods.

The National Logistics Policy is in an advanced stage of roll-out with a vision to develop a modern, efficient and resilient logistics services sector that builds on dynamic processes, technology and professional manpower to seamlessly integrate multiple modes of transportation and inventory management to provide more reliable, cost effective, greener, safer and equitable logistics solutions.

Various initiatives undertaken to promote exports, including Production Linked Incentive (PLI) Scheme, Remission of Duties and Taxes on Exported Products (RoDTEP), improvement in logistics infrastructure and digital initiatives would go a long way in strengthening external sector in general and exports in particular.

The comprehensive programme is expected to increase synergy between various Central government departments, agencies, business entities, and states, as well as speed up the resolution of issues that drive up logistical costs. As a result, Indian exporters will be able to reclaim their competitive advantage in global markets.

Business Segments:

FREE TRADE WAREHOUSING ZONE (FTWZ)

Your Company is a pioneer in introducing and ahead of time with the concept of Free Trade Warehousing Zone (FTWZs) in India offering huge fiscal and other benefits to its customers.

Arshiya is the only free trade warehousing zone developer in India with the unique advantage of having two operating FTWZs, a pan India rail operations license with a fleet of 18 rakes and 3500 containers, and an inland container depot (ICD). Arshiya is the only private ICD with rail sidings of its own which guarantees quick and efficient transportation of freight.

Arshiya currently operates two FTWZs — Panvel near Mumbai spread over 165 acre, catering to western India; and Khurja near Delhi spread over 135 acre, catering to north India.

Free trade warehousing zones are a category of special economic zones set up to improve logistics infrastructure and facilitate and promote cross-border and international trade. Arshiya's FTWZs serve as mega trading hubs with integrated logistics infrastructure such as special storage areas, world-class material handling equipment, container yards, inland container depot, customs office and commercial complex.

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

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

Khurja FTWZ (near Delhi) which is strategically located about 80 km from India's capital, Khurja FTWZ is strategically located close to the eastern and western dedicated freight corridor (DFC). The free trade warehousing zone is a part of the 300 acre mega logistics hub which also includes a 60 acre rail siding and 127 acre Distribution hub and 65 acre ICD and DTA set up by the company.

The increasing acceptance of the FTWZ with various benefits it offers is increasing and your company is witnessing increasing enquiries for bigger space. With various Government reforms and increasing economic activities in the country, the warehousing sector is witnessing increasing participation from institutional investors.

3 PL Services

With as aggressive objective to be serving and proving class of services to its customers your company is in the business of providing 3PL and other value optimisation services such as handling and transportation, packaging, consolidation, palletisation, labelling, kitting, bagging, bottling, cutting-slitting, survey, quality assurance, refurbishment, repairs and maintenance, washing, etc., to its various clientele through its subsidiaries which is going to be a key player in business dynamics.

DOMESTIC WAREHOUSING FACILITY

Your Company commenced offering domestic warehousing facility in NCR at Khurja. We are pleased to that one warehouse which was domesticated has been completely leased out along with almost 300,000 sq. ft. open yard space. Second warehouse has now been domesticated of which more than 50% is already leased out and the rest will be leased out in near future. We see good potential of domestic warehousing at Khurja after the GST implementation and are exploring ways to further increase this business by using the available assets.

PRIVATE FREIGHT TERMINAL

Your Company`s subsidiaries have 6 lane Private Freight and Container Rail Terminals and 2 sidings for bulk cargo in NCR at Khurja in the state of Uttar Pradesh and same is about 12 Kms from the proposed Jewar Airport site having a great potential business opportunity for the inwards and outwards of the construction site and other ancillary materials.

INLAND CONTAINER DEPOT (ICD)

Arshiya's state-of-the-art Inland Container Depot(ICD) at Khurja in Uttar Pradesh, Northern India is well located at the convergence of the proposed western and eastern freight corridors within the National Capital Region(NCR). The Khurja ICD is spread around 22.44 acres and boasts of a warehouse space of 22,000 sq.m. It is equipped with state-of-the-art infrastructure to handle over 120,000TEUs per annum. Situated close to high-density consumption centres, the Khurja ICD caters to the containerized cargo originating and culminating in northern India.

ICD Khurja is located strategically with multiple road approaches from the major 4/6 lane highways providing a congestion-free movement of cargo and containers.

The Khurja ICD is co-located with a state-of-the-art Rail Terminal and Free Trade Warehousing Zone (FTWZ).

K. LISTING:

At present the Company's Equity Shares are listed at BSE Limited and National Stock Exchange of India Ltd and the Company has paid Listing Fees to the above Stock Exchanges for the year 2021-2022.

L. 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/arshiya/assets/pdf/Code%20of%20Conduct%20for%20Insider%20Trading%20and%20%20Fair%20Disclosure.pdf

M. 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-policy.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 & reviewed all the necessary amendments by the Board of Directors in their meeting held on 30th June, 2021 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/arshiya/assets/pdf/NRC%20Policy.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/arshiya/assets/pdf/Related%20Party%20Transaction%20Policy.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/arshiya/assets/pdf/Code%20of%20Conduct%20for%20Insider%20Trading%20and%20%20Fair%20Disclosure.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/arshiya/assets/pdf/Policy%20on%20Material%20Subsidiaries.pdf
Risk management Policy	The purpose of this policy is to lay down the framework of the Risk Management.	http://www.arshiyalimited.com/arshiya/assets/pdf/Risk%20Management%20Policy.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/arshiya/assets/pdf/Vigil%20mechanism%20-%20Whistle%20Blower%20Policy.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/arshiya/assets/pdf/Policy%20on%20Board%20Diversity.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/arshiya/assets/pdf/Archival%20policy.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/arshiya/assets/pdf/Policy%20for%20determination%20of%20materility%20of%20events%20or%20information.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/arshiya/assets/pdf/Policy%20for%20preservation%20of%20Documents.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/Corporate%20social%20responsibilty%20policy.pdf
Policy on Board Evaluation	The purpose of the Board Evaluation is to achieve persistent and consistent improvementin the governance of the Company at the Board level with the participation of all concerned in an environment of harmony	http://www.arshiyalimited.com/arshiya/assets/pdf/Policy%20on%20Board%20Evaluation.pdf

Name of the Policy	Brief Description	Web Link
Dividend Distribution policy	The purpose of this Policy is to facilitate the process of dividend recommendation or declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long-term capital appreciation for all stakeholders of the Company	http://www.arshiyalimited.com/arshiya/assets/pdf/Dividend%20Distribution%20Policy.pdf
Code of Conduct for Board of Directors and Senior Management	The purpose of this policy is that the Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the Company	http://www.arshiyalimited.com/arshiya/assets/pdf/code-of-conduct-for-board-and-senior-management-_120200626160706.pdf

N. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of the Section 135 read with Schedule VII of Companies Act, 2013 are not applicable to the Company due to inadequate profits but the Company has voluntarily adopted the CSR policy in 2018.

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/Corporate%20social%20responsibilty%20policy.pdf

O. HUMAN RESOURCES

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.

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

Your Company continues to enjoy cordial and harmonious relations and not a single man hour was lost on account of any Industrial disturbance during the year 2020-21.

P. PARTICULARS OF EMPLOYEES AND REMUNERATION:

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as ***Annexure- IV*** to the Board's report.

Q. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company has in place the "Policy on Prevention of Sexual Harassment at the Workplace" in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaints were received by the Committee for Redressal.

R. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Your Company's Whistleblower Policy encourages Directors and employees to bring to your Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of your Company, or actual or suspected instances of leak of unpublished price sensitive information that could adversely impact your Company's operations, business performance and/or reputation. The Policy requires your Company to investigate such incidents, when reported, in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld.

The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been hosted on the website of the Company at http://www.arshiyalimited.com/arshiya/assets/pdf/Vigil%20mechanism%20-%20Whistle%20Blower%20Policy.pdf

S. CORPORATE GOVERNANCE REPORT:

Your Company is in compliance with all the applicable provisions of Corporate Governance as stipulated under Chapter IV of the Listing Regulations. A detailed report on Corporate Governance as required under the Listing Regulations is provided in a separate section and forms part of the Annual Report. Certificate from the Practicing Company Secretary regarding compliance with the conditions stipulated in the Listing Regulations forms part of the Corporate Governance Report.

T. 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.

U. RISK MANAGEMENT:

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise. Though it is not possible to completely eliminate various risks associated with the business of the Company, Your Company is well aware of risks associated with its business operations and various projects under execution. The management is making efforts to minimize such risks on the operations of the company.

The Company has put in place various internal controls for different activities to minimize the impact of various risks. Also, as mandated by the Companies Act, 2013 the Company has implemented the Internal Financial Controls to ensure proper control over financial reporting.

Further, the Company has formed Risk Management Committee on 30th June, 2021 as mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 recent amendments dated 05th May, 2021. The Risk Management Policy has been hosted on the website of the company at http://www.arshiyalimited.com/arshiya/assets/pdf/Risk%20Management%20Policy.pdf

V. HEALTH, SAFETY AND ENVIRONMENT:

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

Conservation of Energy: The operations of the Company involve low energy Consumption. Adequate measures have been Implemented to conserve energy such as –

- Roof of the warehouses at our FTWZs have been designed with MR24 standards with roof insulation which gives temperature variation of 8 Degree with ambient temperature. A provision of installation of solar panels will be made on the roofs to generate renewable energy in all new warehouses and Skylights have been provided at 3% area of roof to avoid artificial light in the warehouse during day time.
- Orientation of the warehouse buildings has been done in such a way that there is less heat transmission resulting in saving the electricity consumption by minimizing heat loss in the HVAC system.

- Ridge ventilators are installed at the roof of all WHs, whereby there is no need of power run turbo ventilators, which saves the huge amount of power.
- Cold rooms are having the best quality insulations in roofs/sides/top and floor so as to ensure no leakage of cooling and thus saving a lot of power. The doors of the cold rooms have been installed with air curtains so that during operation, internal temperatures is maintained without any loss of cooling.
- The central control room have been installed with the control panels which controls the temp of cold rooms and monitor automatically so to achieve the pre-set temperature requirement. The chiller units are also centrally controlled.
- Office air conditioning system is having VRV units, which adjust the power requirement as per the required heat load. This saves a lot of power requirement.
- All peripheral and yard lighting is having auto on and off system, set with the timings, which saves lot of wasteful energy. The docking doors are placed to ensure the minimum run by the fork lifts, which reduces large power required for re- charging.

Following environment friendly measures are being implemented in Mumbai FTWZ,

- Development of green area: Re-plantation of trees in the FTWZ.
- Conservation of top soil by removing and storing. The top soil was re-used for developing the green areas
- Provision of storm water drainage system along with recharging bore holes in drain bottom to allow ground water recharging. Battery operated materials handling equipment are being utilized inside the warehouse to control the pollution instead fuel based MHE.

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

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

Technology Absorption: Arshiya sincerely believes in utilizing technology to improve productivity, efficiency and quality of its business operations and working environment.

W. 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 has been placed on the website of the Company and can be accessed at http://www.arshiyalimited.com/annual-reports.html

X. 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-V"*** which forms part of this Report.

Y. 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.

Z. OTHER DISCLOSURES IN TERMS OF THE APPLICABLE PROVISIONS OF THE ACT AND SEBI LISTING REGULATIONS, YOUR COMPANY ADDITIONALLY DISCLOSES THAT, DURING THE YEAR UNDER REVIEW:

- There was no change in the nature of business of your Company.
- Your Company has not transferred any amount to the Reserves.
- Your Company has not raised any funds through qualified institutions placement as per Regulation 32(7A) of SEBI Listing Regulations.
- Your Company does not engage in commodity hedging activities.

- Your Company has not made any one-time settlement for the loans taken from the Banks or Financial Institutions.
- There were no events relating to Receipt of any remuneration or commission from any of its subsidiary companies by Chairman / Managing Director of the Company;
- There is no plan for Revision of the financial statements pertaining to previous financial periods during the financial year under review;
- Your Company has not made any application or there is no proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) in the previous financial year other than routine course of business.

ACKNOWLDGEMENTS & APPRECIATIONS

Your directors would like to thank and place on record their appreciation for the sustained support and co-operation provided by its Members, Group entities and in particular, their employees, regulatory authorities, suppliers, customers, its banks, financial institutions and other stakeholders.

Your directors would also like to place on record its sincere appreciation for the efforts put in by employees of the Company whose efforts, hard work and dedication has enabled the Company to achieve all recognitions during the year.

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
Dated: 13th August, 2021

Annexure - I

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]

S.No.	Name of the subsidiary	Financial Period ended	Currency	Equity	Other Equity	Total assets	Total liabilities (excluding equity and other equity)	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	% of Share holding(1*)
1	Arshiya Northern FTWZ Limited	31st March, 2021	INR	1,086.87	2,610.69	72,646.65	68,949.09	-	541.22	(7,823.89)	-	(7,823.89)	100%
2	Arshiya Rail Infrastructure Limited	31st March, 2021	INR	5,967.16	(41,354.58)	90,595.86	125,983.28	-	7,697.41	(16,367.26)	-	(16,367.26)	100%
3	Arshiya Technologies (India) Private Limited	31st March, 2021	INR	10.12	(16.27)	0.24	6.39	-	-	(0.91)	-	(0.91)	100%
4	Arshiya Lifestyle Limited	31st March, 2021	INR	148.50	1,921.46	17,977.56	15,907.60	1.00	10,522.79	26.67	1.42	25.25	100%
5	Arshiya Logistics Services Limited	31st March, 2021	INR	160.00	(350.85)	2,076.03	2,266.88	6.00	6,787.10	7.57	7.22	0.35	100%
6	Anomalous Infra Private Limited	31st March, 2021	INR	11.00	(337.03)	19,656.83	19,982.86	-	-	(438.32)	-	(438.32)	100%
7	Arshiya Northern Projects Private Limited	31st March, 2021	INR	5.00	(17.45)	0.35	12.80	-	-	(5.62)	-	(5.62)	100%
8	Arshiya Infrastructure Developers Private Limited	31st March, 2021	INR	1.00	(2.68)	0.07	1.75	-	-	(0.85)	-	(0.85)	100%
9	Unrivalled Infrastructure Private Limited	31st March, 2021	INR	1.00	(1.07)	0.18	0.25	-	-	(0.36)	-	(0.36)	100%
10	Arshiya 3PL Services Private Limited	31st March, 2021	INR	5.00	(241.30)	91.24	327.54	-	185.58	(158.05)	-	(158.05)	Nil (2*)
11	Arshiya Panvel Logistics Services Private Limited	31st March, 2021	INR	1.00	(0.72)	0.53	0.25	-	-	(0.38)	-	(0.38)	Nil (2*)
12	Arshiya Panvel FTWZ Services Private Limited	31st March, 2021	INR	1.00	(0.71)	0.54	0.25	-	-	(0.37)	-	(0.37)	Nil (3*)
13	Arshiya Data Centre Private Limited	31st March, 2021	INR	1.00	1,053.82	13,203.00	12,148.18	-	-	(1,289.37)	-	(1,289.37)	100%
14	AMD Business Support Services Private Limited	31st March, 2021	INR	1.00	(1.93)	2,518.35	2,519.28	-	-	(0.68)	-	(0.68)	100%

(1*) % of Share Holding including beneficial interest/ voting power (either directly/indirectly or through subsidiaries).
(2*) 100% held through Arshiya Logistics Services Limited
(3*) 100% held through Arshiya Lifestyle Limited

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

Dinesh Kumar Sodani
Chief Financial Officer

Ratika Gandhi
Company Secretary & Compliance Officer
Mem. No A29732

Navnit Choudhary
VP - Commercial

Place: Mumbai
Date: 13th August, 2021

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

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2021, which were not at arm's length basis.

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

A. The details of material contracts or arrangement or transactions at arm's length basis for the year ended 31st March, 2021.

SL. No.	Particulars	Details	
a.	Name (s) of the related party	Arshiya Northern FTWZ Ltd.	Arshiya Lifestyle Limited
b.	Nature of relationship	Wholly Owned Subsidiary	Wholly Owned Subsidiary
c.	Nature of contracts/ arrangements / transaction	Lease Agreement	Income billed to customer on behalf of the Subsidiary Company
d.	Duration of the contracts/ arrangements/ transaction	6 years	5 years
e.	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 33.76 Lakh	₹ 1,335.00 Lakh
f.	Date of approval by the Board	29th January, 2018	29th January, 2018
g.	Amount paid as advances, if any	-	

SL. No.	Particulars	Details	
h.	Name (s) of the related party	Arshiya Northern FTWZ Ltd.	Laxmipati Balaji Supply Chain Management Limited
i.	Nature of relationship	Wholly Owned Subsidiary	Related party
j.	Nature of contracts/ arrangements / transaction	Lease Agreement	Electricity consumption
k.	Duration of the contracts/ arrangements/ transaction	6 years	NA
l.	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 2.36 Lakh	₹ 19.73 Lakh
m.	Date of approval by the Board	26th June, 2020	26th June, 2020
n.	Amount paid as advances, if any	-	

SL. No.	Particulars	Details	
o.	Name (s) of the related party	Anomalous Infra Private Limited	Arshiya Data Centre Private Limited
p.	Nature of relationship	Wholly Owned Subsidiary	Wholly Owned Subsidiary
q.	Nature of contracts/ arrangements / transaction	Lease Agreement	Lease Agreement
r.	Duration of the contracts/ arrangements/ transaction	30 years	30 years
s.	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 3.00 Lakh	₹ 3.00 Lakh
t.	Date of approval by the Board	27th May, 2019	27th May, 2019
u.	Amount paid as advances, if any	-	-

SL. No.	Particulars	Details	
v.	Name (s) of the related party	Arshiya Lifestyle Limited	Laxmipati Balaji Supply Chain Management Limited
w.	Nature of relationship	Wholly Owned Subsidiary	Related party
x.	Nature of contracts/ arrangements / transaction	Business Conducting Agreement	Equipment Transfer Agreement
y.	Duration of the contracts/ arrangements/ transaction	6 years from 3rd Feb, 2018	NA
z.	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 2,639.44 Lakh	₹ 334.83 Lakh
aa.	Date of approval by the Board	29th January, 2018	10th February, 2021
bb.	Amount paid as advances, if any	-	

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
Dated: 13th August, 2021

Annexure III
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arshiya Limited
302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai 400018 Maharashtra

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Arshiya 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 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, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2021 according to the provisions of:

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

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

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

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

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

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

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable 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;

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

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the audit period)

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 except to the extent as mentioned below;

Director's Disclosure pursuant to the provision of Section 184 and 164 of the Companies Act 2013.

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 including Woman Director. The changes in the composition of the Board of Directors that took place during the period under reviewwere carried out in compliance with the provisions of the Act.

Adequate notices are 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 exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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, the following specific events were held:

1. During the period under review, Mr. Ved Prakash has been appointed as an Additional Director (Non-Executive & Independent) on the Board of the Company with the approval of the members of the Company at the Annual General Meeting held on 25th September, 2020 and shall hold the office for the term upto 5 consecutive years from the date of this Annual General Meeting.
2. During the period under review, The Company at its board meeting held on 27th June, 2020 approved and note the resignation of Mr. Tara Sankar Bhattacharya from the position of the Independent Director of the Company with effect from 27th June, 2020.
3. During the period under review, The Company at its board meeting held on 25th August 2020 approved and appoint Ms. Yesha Maniar has been as a Whole Time Company Secretary of the Company with effect from 25th August, 2020 and subsequently took the note of the resignation from the position of Company Secretary of the Company with effect from 31st October, 2020 at its Board meeting held on 11th November, 2021.
4. During the period under review, The Company at its board meeting held on 27th June 2020 approved and appoint M/s. M. A. Parikh & Co., Chartered Accountants (Firm Registration No. 107556W) as an Internal Auditor of the Company for the F.Y. 2020-21.
5. During the period under review, The Company at its Board Meeting held on 10th February, 2021 approved and allotted 25,00,000 Equity Shares on Conversion of 80,000 Zero Percent Optionally Convertible Redeemable Preference Shares.
6. During the period under review, The Company at its Board Meeting held on 10th February, 2021 has approved and allotted 17,00,000 Equity Shares to its eligible employees & its Subsidiaries as per the terms of Arshiya Limited Employees Stock Option Scheme, 2019 (the Scheme 2019).
7. During the period under review, The Company at its Board Meeting held on 10th February, 2021 appointed Mrs Ratika Gandhi as a Company Secretary and Compliance Officer of the Company with effect from 12th February, 2021.
8. During the period under review, The Company at its Board Meeting held on 10th February, 2021 appointed Mr. Viraj Mahadevia as a Director Strategy of the Company with effect from 1st April, 2021.

Note:

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

Place: Mumbai
Date: 22nd July, 2021

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: F6579
COP No.: 6625
UDIN: F006579C000670473

ANNEXURE-I
SECRETARIAL AUDIT REPORT

To,
The Members,
Arshiya Limited
302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra

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-III A
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arshiya Rail Infrastructure Limited
302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai 400018 Maharashtra

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Arshiya Rail Infrastructure Limited** (herein after called the "Company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2021 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under.

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

    d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not applicable 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;

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

    h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(Not applicable during the audit period)

The Company is not listed on any Stock Exchange in India hence compliance related to Securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations, 2015 is not applicable to the Company and only clause (i), (iii) and (vi) are applicable to the Company.

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

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

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

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. No changes in the composition of the Board of Directors that took place during the period under review.

Adequate notices are 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 exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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, the following specific events were held:

Note:

1. The company has availed a loan facility from Rudradev Properties Private Limited which approved in the board meeting held on 25th August, 2020.

2. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

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

Place: Mumbai
Date: 22nd July, 2021

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: F6579
COP No.: 6625
UDIN: F006579C000670286

ANNEXURE-I

To,
The Members,
Arshiya Rail Infrastructure Limited
302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai 400018 Maharashtra

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.

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arshiya Northern FTWZ Limited
302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai 400018 Maharashtra

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Arshiya Northern FTWZ 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 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, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2021 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;

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

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

    d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable 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;

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

    h) The Securities and Exchange Board of India (Buyback ofSecurities) Regulations, 2018 (Not applicable during the audit period)

The Company is not listed on any Stock Exchange in India hence compliance related to Securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations, 2015 is not applicable to the Company and only clause (i), (iii) and (vi) are applicable to the Company.

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

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

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

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. No changes in the composition of the Board of Directors that took place during the period under review.

Adequate notices are 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 exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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, the following specific events were held:

Note:

1. The company has appoint Aabid & Co., Practising Company Secretaries as a secretarial Auditor of the Company and approved by the board in the board meeting held on 27th June, 2020.

2. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

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

Place: Mumbai
Date: 22nd July, 2021

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: F6579
COP No.: 6625
UDIN: F006579C000670264

ANNEXURE-I

To,
The Members,
Arshiya Northern FTWZ Limited
302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai 400018 Maharashtra

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.

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arshiya Logistics Services Limited
302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai 400018 Maharashtra

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Arshiya Logistics Services 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 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 on31st March, 2021ccomplied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2021 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;

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

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

    d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable 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;

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

    h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the audit period)

The Company is not listed on any Stock Exchange in India hence compliance related to Securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations, 2015 is not applicable to the Company and only clause (i) and (iii) are applicable to the Company.

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

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

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

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 notices are 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 exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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, the following specific events were held:

Note:

1. Mr. Pramod Raghavan being a Director of the Company who retires by rotation and being eligible for re-appointment, has been re-appointed as Director of the Company liable and approved in the Annual General Meeting held on 24th September, 2020.

2. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

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

Place: Mumbai
Date: 22nd July, 2021

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: F6579
COP No. : 6625
UDIN: F006579C000670209

ANNEXURE-I

To,
The Members,
Arshiya Logistics Services Limited
302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai 400018 Maharashtra

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.

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arshiya Lifestyle Limited
301, Ceejay House, Level-3, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai 400018 Maharashtra

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Arshiya Lifestyle 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 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, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2021 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable 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;
    g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period); and
    h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the audit period)

The Company is not listed on any Stock Exchange in India hence compliance related to Securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations, 2015 is not applicable to the Company and only clause (i) and (iii) are applicable to the Company.

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

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

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

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 reviewwere carried out in compliance with the provisions of the Act.

Adequate notices are 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 exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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, the following specific events were held:

Note:

1. Mr. Navnit Choudhary being a Director of the Company who retires by rotation and being eligible for re-appointment, has been re-appointed as Director of the Company liable and approved in the Annual General Meeting held on 24th September, 2020.

2. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

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

Place: Mumbai
Date: 22nd July, 2021

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: F6579
COP No.: 6625
UDIN: F006579C000670165

ANNEXURE-I

To,
The Members,
Arshiya Lifestyle Limited
301, Ceejay House, Level-3, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai 400018 Maharashtra

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 –IV

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

a.) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21:

Median remuneration of all employees for the financial year 2020-21	₹ 3,99,620/-

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 2020-21
Mr. Ajay S Mittal	NIL
Mrs. Archana A Mittal	NIL
Mr. AshishkumarBairagra	NIL
Mr. Rishabh Shah	NIL
Mr. Tara Sankar Bhattacharya	NIL
Mrs. Manjari Ashok Kacker	NA#
Mr. Dinesh Kumar Sodani	NIL
Ms. Savita Dalal	NA#
Mrs. Yesha Maniar	NIL
Mrs. Ratika Gandhi	NIL

c.) The percentage increase in median remuneration of employees in the financial year 2020-21 was (8%)*.

d.) There were 55 permanent employees on roll of the Company as on 31st March, 2021.

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 (32%)*. The total managerial remuneration paid to Managing Director for the financial year 2020-21 was Nil. Remuneration paid to Key Managerial Persons was ₹ 1, 63, 49, 212/- (Rupees One Crore Sixty Three Lakhs Forty Nine Thousand Two Hundred Twelve Only) as against ₹ 1,04,91,614/- (Rupees One Crore Four lakhs Ninety One Thousand Six Hundred Fourteen only) during the previous financial year 2019-20.

*Showing in negative due to decrease in number of employees during the year.

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'21	Gross remuneration Per Month (₹) – March 21	Previous employment and designation
NA									

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
Dated : 13th August, 2021

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

(A) Conservation of energy:

1. Steps taken or impact on conservation of energy:

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

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

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

3. Capital investment on energy conservation equipments.

   - N.A.

(B) **Technology absorption:**

1. Efforts made towards technology absorption:

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

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

   - Saves cost, time and improves the quality.

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

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

(C) **Foreign exchange earnings and Outgo:**

(Amount ₹ in Lakh)

Particulars	**Standalone**		**Consolidated**	
	31st March, 2021	**31st March, 2020**	**31st March, 2021**	**31st March, 2020**
Foreign Exchange Earnings	1,335.00	1,600.26	10,565.66	11,237.38
Foreign Exchange outgo	-	6.86	-	-
Total	**1,335.00**	**1,607.12**	**10,565.66**	**11,237.38**

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
Dated : 13th August, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Disclaimer: *Statements made in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might vary materially from those either expressed or implied.*

MANAGEMENT AND DISCUSSION ANALYSIS INCLUDES:

- ECONOMY OVERVIEW
- INDIAN LOGISTICS INDUSTRY OVERVIEW
- GOVERNMENT INITIATIVES AND OVERALL COST OF LOGISTICS
- BUSINESS OUTLOOK
- OPPORTUNITIES
- THREATS
- RISKS, CONCERNS AND ITS REQUISITE MITIGATION
- INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY
- DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE
- HUMAN RESOURCE DEVELOPMENT
- FORWARD - LOOKING AND CAUTIONARY STATEMENTS

ECONOMY OVERVIEW:

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's Gross Domestic Product (GDP) contracted 7.3% in 2020-21, as per provisional National Income estimates released by the National Statistical Office, marginally better than the 8% contraction in the economy projected earlier. GDP growth in 2019-20, prior to the COVID-19 pandemic, was 4%. The COVID-19 pandemic further magnified the growth challenges for the economy. As India went into phased lockdowns to curb the spread of the virus, severe demand and supply shocks were created. Demand side shocks included reduced investments, muted demand for discretionary items, low consumption due to income loss, and so on. Supply side shocks included bottlenecks with labour supply, and disruption in both global and domestic supply linkages. The initial economic response of the Indian Government was geared towards minimising disruptions, reviving supply and demand, protecting livelihoods and ensuring business continuity. The Government announced economic stimulus packages in three tranches totalling $420+ billion. The stimulus included a combination of fiscal, monitory, liquidity boosting and administrative measures such as direct benefit transfers, emergency credit line guarantee scheme, emergency health fund, food security measures, collateral free loans and bank guarantees for MSMEs, extension of tax deadlines, loan moratorium, changes in FDI policy and opening of power, defence and space sectors for privatisation. The RBI also announced cuts in repo and reverse repo rates. In the latter half of the year, the Government has shifted focus towards production and consumption revival measures such as production linked incentives, increased capital expenditure and investments in infrastructure development. The Government has also launched 'Atmanirbhar Bharat Abhiyan' to spur growth and achieve a greater degree of self-reliance.

The Economic Survey of India 2020-2021 estimates real GDP to grow by 11% in 2021-22 fuelled by vaccination drive, higher capital expenditure commitment by the government and recovery across services and manufacturing sectors. India is expected to emerge as the fastest growing economy in the next two years as per the IMF. However, 2021-22 is likely to remain a volatile year as we continue to witness other waves of COVID cases. Subsequent to the 2nd COVID-19 wave, World Bank has revised the GDP growth forecast to 8.3% in 2021-22. Economic recovery remains contingent on the effective curb of the virus spread, quick vaccination rollout and continuation of economic activities.

According to data from the RBI, as of the week ended on 04th June, 2021, the foreign exchange reserves in India increased by US$ 6.842 billion to reach US$ 605 billion.

INDIAN LOGISTICS INDUSTRY OVERVIEW:

The logistics sector plays a vital role in facilitating economic activity and trade movement in the country. The sector was estimated to be at ₹ 19,56,000 crores in the fiscal year 2019-20. It is expected to reach ₹ 34,50,000 crores value by 2026, growing at 11-13% CAGR during 2020-26. Short-term growth due to COVID-19 may be slower, but our long-term outlook for the sector remains buoyant.

In India, the demand for today and the future is integrated end-to-end Logistics solutions. This would encompass integrated infrastructure / assets platform, integrated services platform and integrated digital platform. There is a wide spectrum of players in the domain ranging from the very small exporters and importers to medium-sized and large traders to MNCs. Hence, the sector would continue to witness consolidation, process standardization, technological upgradation, and digital transformation.

Based on service offerings, the logistics sector can be sub-divided into road transportation, freight forwarding, warehousing and value-added services and other logistics services such as container logistics, cold chain logistics, coastal shipping, and so on. Road transportation dominates India's logistics spends, given the vast landscape and reliance on expensive road transportation. The road transportation segment can be further divided into inbound transportation, outbound transportation and distribution, express and last-mile transportation

With the COVID-19 pandemic threatening to push India off its economic growth trajectory, the real estate sector's resilience has been tested to its limit. While demand in other commercial real estate asset classes like hospitality, retail and office have been severely impacted during the previous year, the warehousing market has been relatively less adversely impacted.

The story of modern Indian warehousing is a little over a decade old when logistics companies built the first Grade A warehouses in the country. The entry of institutions, lured by the vast opportunity presented by a growing economy with a consumption base of over 1.3 bn people, made the Indian warehousing market a compelling investment proposition. The introduction of the Goods and Services Tax and the prolific growth seen in the e-commerce and 3PL sectors caused warehousing demand to grow at a CAGR of 44% in the FY 2017 - 2020 period. While the pandemic in FY 2021 has caused demand to drop during the year, the longer-term demand potential for warehousing properties continues to remain strong. However, there is a need to quantify this demand and with this in mind, we have endeavored to estimate the size of the opportunity in the warehousing market over the FY 2022– 26 period. Demand for warehousing properties is an outcome of the business performance of its constituent occupier groups, which in turn are very highly correlated with the country's GDP growth.

GOVERNMENT INITIATIVES AND OVERALL COST OF LOGISTICS:

The logistics cost as a percentage of GDP for India stands at approximately 14%, significantly higher than those in developed countries. The primary reason for such high costs is the highly unorganized nature of this industry and such high costs can be attributed to inefficiencies such as lower transportation speed, higher transit inventory, theft and damages, and a skewed modal mix. Currently, road transportation accounts for approximately 75% of transportation (by volume), while rail, ocean, and air collectively account for the remainder. Further, different parts of the logistics value chain are currently being managed by numerous departments and ministries. The result of these multiple hurdles is increased inefficiencies in the logistics industry.

The logistics sector has been in limelight in the past couple of years and is undergoing a significant transformation on account of various reform initiatives and policy changes. The major reforms include the introduction of GST (Goods & Service Tax), roll out of E-Way bill and the sector being granted infrastructure status. The initial benefits of these developments have started coming in, but majority would accrue in the coming years. In this backdrop, it may be worth checking out the stock that investors should look at to ride the emerging tailwind in the sector.

The introduction of E-Way bill (electronic documentation aimed to track goods movement and prevent tax evasion under GST) would result in increased transparency as well as encourage further formalization of the sector. The removal of tax boundaries across states would aid the consolidation of warehouses as logistics companies are increasingly focusing on the hub and spoke model.

These changes are likely to reduce the cost of logistics in India. The reforms and developments also, marks a step in the right direction as government has already indicated its plans to bring down the logistics cost to around 10% of GDP.

The Government has undertaken various policy measures to develop the logistics infrastructure in the country. Some key measures are listed below:

- **Logistics Efficiency**: Improve performance and the efficiency of the logistics sector with focus on reducing logistics cost and dwell time.

- **Multi-modal Transport**: Ensure multi-modal cargo movement for optimal use of all transport modes, by developing multi-modal transport infrastructure, including MMLPs.

- **Digital Tracking**: Ensure predictability, visibility and tracking and tracing regarding cargo movement, and improve in-transit warehousing leveraging digital initiatives.

- **Sector Modernization**: Support modern trade and e-commerce, and create resilient supply chain for effective emergency response through modernization of the logistics sector.

- **Excellence in Logistics**: Promote professionalization and excellence in logistics services and create employment opportunities, to improve quality of life of workforce.

- **Logistics Democratization**: Democratise logistics services to benefit all sections of society, in particular the farmers and micro, small and medium enterprises (MSMEs).

BUSINESS OUTLOOK:

ABOUT ARSHIYA BUSNIESS

Arshiya Limited together with its subsidiaries is a flagship Company of Arshiya Group. It is pioneering Unified Supply Chain and integrated logistics infrastructure solution provider with Group headquartered in India. The group businesses comprises of Logistics, Free Trade and Warehousing Zone (FTWZ), Rail & Rail Infrastructure, Private Freight Terminal, Industrial and Distribution hubs, Inland Container Depot (ICD), Domestic Warehousing (DW), 3 Party Logistics (3PL), Supply Chain Management solutions and Data Centre.

MULTI-PURPOSE SEZ:

The Company's wholly owned subsidiary Arshiya Northern FTWZ Limited a free trade warehousing zone at Khurja (UP) has been declared as a Multi-Purpose SEZ in March 2021.

This will increase the suite of services in Arshiya Group to include manufacturing (E.g. manufacturing of mobile, telephone, other electronics devices and Defence sector for availing off-set benefits) services along with FTWZ services already offered. Given the Governments push toward an Atmanirbhar India (PLI scheme) as well as a global push of multinationals to have a 'China - Plus One' strategy, the Company sees this as a strategic foray into offering manufacturing services to Global Marquee Clients in multiple sectors.

FREE TRADE WAREHOUSING ZONE (FTWZ) BUSINESS

The company has presence in two major warehouse clusters, viz., Panvel - JNPT & NCR.

Arshiya FTWZ facility at Panvel - JNPT warehousing cluster caters to the EXIM demand as also to the consumption led demand. The Panvel warehouse cluster on account of its proximity to JNPT has emerged as a suitable warehouse hub for EXIM cargo for SAARC countries. The emerging new Infrastructure, the quick access to JNPT, it's strategic location and seamless operation capabilities helping many organizations to increase and optimize their business via Just In Time Model (JIT Model) and it will drive in more consumption-based demand in South Asian region in near future. Developers having land in this location are open to develop warehouses for prospective clients.

The National Capital Region (NCR) being the country's largest urban agglomeration is one of the most important warehousing markets of the country. Also called the gateway to the north, warehousing in NCR is spread across major road networks. The market not only caters to the intrinsic warehousing demand of the National Capital region, but also acts as a key storage and warehousing hub for the neighbouring states. Over the years, warehousing in NCR has shifted from areas that had godown-type structures to newer areas that are well connected to major infrastructure roads and have the luxuries of contiguous land availability for the organized warehousing players to build good quality warehouses. These newer locations are just off the main national highways and have witnessed phenomenal growth in terms of quality warehousing clusters and facilities.

Arshiya FTWZ facility at Khurja continues to offer a great value proposition to customers operating out of North India, either importers or exporters across different sectors including Telecom, Electronics, Chemicals, aircraft engines etc. The upcoming eastern dedicated freight corridor is having Khurja as an integral part of corridor is a proposed junction for western dedicated freight corridor and eastern dedicated freight corridor. It will result in Khurja becoming a strategic location in the supply chain of many organizations which shows the promising growth for FTWZ Khurja in near future.

3 PL SERVICES

The Company's subsidiary Company is in the business of providing 3PL and other value optimisation services such as handling and transportation, packaging, consolidation, palletisation, labelling, kitting, bagging, bottling, cutting-slitting, survey, quality assurance, refurbishment, repairs and maintenance, washing, etc., to its various clientele.

DATA CENTRE

The Company had outlaid plan to setup an additional segment, i.e., Electronic hardware and software (including information technology enabled services) in the notified area for FTWZ at its Panvel facility wherein company planned to develop IT/ITES Park on an area of approximately 25 acres of land. The Company had obtained the requisite approvals to setup the IT / ITES Park from the concerned authorities.

The requisite 25 acres of land situated at Panvel FTWZ had been notified as IT / ITES Park and on the said land of the Company plans to build "Hyperscale Data centre Park" with a constructible area of approximately 2 to 3 million square feet.

DOMESTIC WAREHOUSING FACILITY

The Company commenced offering domestic warehousing facility in NCR at Khurja. There is a good potential demand of domestic warehousing at Khurja after the GST implementation and are exploring ways to further increase this business by using the available assets.

SUPPLY CHAIN MANAGEMENT

Your Company offers customised and end-to-end logistics solutions and services, including transportation and distribution, warehousing, in-factory logistics and value-added services to our customers. The Company aim is to make the journey of all inputs and finished products from origin to end customer, more efficient and reliable, with shortened delivery times and better customer satisfaction

OPPORTUNITIES:

The manufacturing sector is going to contribute nearly 25% of Gross Domestic Product (GDP) by 2025, and play a pivotal role in the growth of the Indian economy. In particular, the 'Make in India' reform has been instrumental in supporting the manufacturing sector.

Further, the implementation of GST has led to a significant increase in profitability for developers in the warehousing sector. Companies are now able to maintain pre-GST service levels with lower levels of inventory and are leapfrogging the multiple barriers to entry. Post GST, companies are consolidating their supply chains for market/ supply chain efficiency, and leasing large format warehouses. Consumer, retail and e-commerce companies are driving the demand for grade A modern warehouses. These sectors are also increasing their market reach and depth and hence have a greater requirement for fulfilment and distribution services. The rise of omni-channel is also leading to several companies redesigning their supply chains, creating immense opportunities for logistics service providers. Small businesses and new brands are also increasingly going Direct to Customer (D2C) and larger brands are starting their own online brand stores.

With rapid development in this ecosystem, especially post-COVID, D2C is expected to witness high growth over the next few years and become $100+ billion market by 2025.

Further, growth in consumer, retail and e-commerce sectors has fuelled the demand for time-sensitive distribution services. The disaggregated nature of demand and supply, high variability, and the complexity of returns for e-retail have challenged the traditional distribution operations. Distribution, which was traditionally managed by C&F (Clearing & Forwarding) agents, is now managed directly by companies to increase reach, optimise supply chains, and reduce time to serve. Global e-commerce platforms are enabling Indian companies to sell in global markets, and foreign companies to sell in Indian markets, thereby driving growth in cross-border logistics services. Express and cross-border logistics services offer attractive growth, higher profitability and increased customer stickiness and are natural extensions to our portfolio of offerings.

The setting up of warehouse platforms is also a highly enticing venture for customers with PAN - India businesses operations. Businesses no longer need to spend resources making multiple deals with numerous local players, instead they can optimize their operations by partnering with larger players with presence in multiple locations.

Additionally, the approval for Multisector SEZ, there would be new business opportunity. Further government reforms ensure that warehousing and logistics facilities now fall under the "Infrastructure Category", resulting in players gaining access to funds at lower costs. As a result, companies can now borrow funds over a longer repayment tenure, allowing for a sustainable growth model – something that wasn't previously possible.

The organised retail, information technology, telecommunications, and healthcare generate a strong warehousing demand, and that free trade warehousing zones (FTWZs) and logistics parks attract investments. As India moves forward as a strong economy, the warehousing industry is bound to see strong growth. The freight-only corridors will play a vital role in this industry as this will reduce the time in transportation and movement of goods can be faster, which will make it cheaper and more reliable to move goods between industrial heartlands in the North and ports on the eastern and western coasts. Growth in consumption, organised retail, logistics outsourcing, regulatory interventions, private investments in logistics, and other infrastructure developments such as dedicated freight corridors will improve prospects of the organised warehousing segment.

THREATS:

The Logistics & Supply Chain industry faces several threats and challenges, such as high cost impacting the competitiveness in the domestic market. Competitiveness of various industry players is determined by several factors, such as availability of anchor customers, levels of automation and technology deployed in day-to-day operations, reliability of the supply chain, adherence to compliance standards and multi-sector domain expertise for a third party logistics player. Other key challenges include availability of skilled manpower, limited usage of technology currently, and inefficient multi-modal and fleet mix.

While the logistics industry in India is generally fragmented, the Company faces competition from a number of international and domestic third-party logistics service providers, especially as the trend toward larger-scale logistics service providers in India continues several logistics sub-segments—such as road transportation, freight forwarding, customs handling and CFSs—have multiple players operating in the same region or targeting the same sets of customers with me-too offerings. Several logistics sub-segments are significantly impacted by regulations.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

(₹ In Lakhs)

S. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
1	**FTWZ**		
	Revenue	14,278.42	14,773.21
	EBIDTA	9,800.54	9,880.92
	EBIDTA % on Revenue	68.64%	66.88%
2	**Rail Transport Operations/ICD**		
	Revenue	7,230.78	14,079.50
	EBIDTA*	3,664.60	216.60
	EBIDTA % on Revenue	50.68%	1.54%
3	**Domestic Warehousing**		
	Revenue	554.83	595.64
	EBIDTA	491.33	563.43
	EBIDTA % on Revenue	88.56%	94.59%

Note: *Net gain of ₹ 1,907.20 Lakhs on sale of certain movable assets and ₹ 1,499.43 Lakhs on government grant related to such assets have been included in other income.

RISKS, CONCERNS, AND ITS REQUISITE MITIGATION:

Arshiya operates in a regulated environment with various of laws and regulations applicable to it. In case the Company, does not obtain the required approvals and licenses in timely manner, the business and operations may be adversely affected. The Company has well established structure, policies, and procedures to assist in the compliance with law and regulations.

The Company's business is affected by the rise and fall in the levels of EXIM Business in the country. The Company is focusing on high margin segment which is essentially dependent on imports and exports of containerized cargo in India. With expected EXIM trade increase along with the growth in containerization, FTWZ business is expected to be enlarge in coming year and hence, the Company believes it has adequate mitigation is in place.

The Company's foreign currency revenue earnings are significant and any appreciation or depreciation in the rupee can have an impact on its revenue and profitability. The Company has in place a well-defined policy and processes designed to minimize the impact of volatility in foreign exchange fluctuations on its earnings. Appropriate internal controls are in place for monitoring the foreign exchange earning risk.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Internal Control Systems of the Company perfectly correspond with the nature of its business and the size and complexity of its operations.

The Risks are regularly tested and certified by the Statutory and Internal Auditors. Also, the Company has a well-established framework of internal controls in place, supported by policies, guidelines and procedures, including suitable monitoring procedures. The Audit Committee reviews adequacy and effectiveness of the internal control process and systems. It also monitors the implementation of audit recommendations, with the perspective of strengthening the Company's risk management systems. A management team additionally conducts quarterly reviews. It assesses the internal control environment, checks the adequacy concerning the business and make relevant recommendations.

The financial and operating controls of the Company are reviewed regularly by the Internal Controls and Audit as per the annual plan approved by the Audit Committee.

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly. Such internal controls are supplemented by an extensive program of internal audits, review by management and documented policies, guidelines and procedures.

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The financial performance of the company has been provided in Finance Section in this report.

(₹ in Lakh)

Particulars	**Year Ended 31st March, 2021**	**Year Ended 31st March, 2020**	**Variance**	**Variance in %**
INCOME (I)				
Revenue from operations	6,720.59	23,868.15	(17,147.56)	(71.84%)
Other income	1,833.15	1,229.28	603.87	49.12%
EXPENSES (II)				
Cost of Inventories (Lease Land)	-	5,775.28	(5,775.28)	(100.00%)
Employee benefits expenses	961.13	1,272.91	(311.78)	(24.49%)
Finance costs	14,812.38	13,122.32	1,690.06	12.88%
Depreciation and amortization expenses	1,289.67	1,571.09	(281.42)	(17.91%)
Other expenses	1,518.59	745.76	772.83	103.63%
Profit/(loss) before exceptional items and tax (I-II)	**(10,028.03)**	**2,610.07**	**(12,638.10)**	**(484.21%)**
Exceptional Items (net)	-	108,062.25	(108,062.25)	(100.00%)
Profit/(loss) before tax	**(10,028.03)**	**(105,452.18)**	**95,424.15**	**(90.49%)**
Tax expense	-	1,102.96	(1,102.96)	
Profit/(loss) for the year	**(10,028.03)**	**(106,555.14)**	**96,527.11**	**(90.59%)**

Note:

1. **Revenue from Operation:**

   During the Current year, revenue is lower due to no land lease transaction, while in the previous year, there were 4 land lease agreements aggregating to ₹ 18,337.99 lakh for development of warehouses and Data Centre at FTWZ, Panvel which are under development stage.

2. Other income is higher due to certain receipt against provision.

3. During the Current year, cost of inventories (lease land) is lower due to no land lease transaction while in the previous year, there were cost of inventories aggregating to ₹ 5,775.28 Lakh towards 4 land lease agreements aggregating to ₹ 18,337.99 lakh.

4. Other expenses is higher due to certain assets discarded.

5. The exceptional items during the previous year ended 31st March 2020 represent, loss on account of settlement for various claims amounting to ₹ 6,861.81 Lakh and provisions for carrying value of investment in a subsidiary and loans to a subsidiary aggregating amounting to ₹ 101,200.44 Lakh.

CONSOLIDATED FINANCIAL PERFORMANCE:

(₹ In Lakhs)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020	Variance	Variance in %
Income				
Revenue from operations	22,064.03	29,448.35	(7,384.32)	(25.08%)
Other income	5,389.11	1,317.06	4,072.06	309.18%
Expenses				
Material handling, value optimisation services and other charges	1,013.79	1,021.59	(7.80)	(0.76%
Freight expenses	5,849.95	11,589.12	(5,739.17)	(49.52%)
Terminal expenses	281.33	440.42	(159.09)	(36.12%)
Other operating expenses	142.77	191.44	(48.67)	(25.42%)
Employee benefits expense	2,433.86	3,103.03	(669.17)	(21.57%)
Finance costs	38,460.21	33,625.39	4,834.82	14.38%
Depreciation and amortization expense	12,082.76	14,284.97	(2,202.21)	(15.42%)
Other expenses	3,778.53	3,694.87	83.66	2.26%
Profit/(loss) before exceptional items and tax	**(36,590.06)**	**(37,185.42)**	**595.36**	**(1.60%)**
Exceptional Items (net)	-	7,810.00	(7,810.00)	(100.00%)
Profit/(loss) before tax	**(36,590.06)**	**(44,995.42)**	**8,405.36**	**(18.68%)**
Tax expense	8.64	1,109.93	(1,101.29)	**(99.22%)**
Profit/(loss) for the year from Continuing Operations	**(36,598.70)**	**(46,105.35)**	**9,506.65**	**(20.62%)**
Profit/(loss) for the year from Discontinuing Operations	(224.44)	(111.10)	(113.34)	**102.02%**
Net Profit/(loss) for the year	**(36,823.14)**	**(46,216.45)**	**9,393.31**	**(20.32%)**

Remarks for major variances:

1. During the year ended 31st March, 2021, Net gain of ₹ 1,907.20 Lakhs on sale of certain movable assets and ₹ 1,499.43 Lakhs on government grant related to such assets have been included in other income.

2. Freight expenses and terminal expenses are lower due to decreased in revenue.

3. The exceptional items during the year ended 31st March 2020 represent, loss on account of settlement for various claims amounting to ₹ 7,810.00 Lakhs.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (amendment) Regulations, 2018, the Company is required to give details of significant changes (changes of 25% or more as compared to the corresponding previous year) in key sector specified financial ratio:

S. No.	Particulars	Standalone			Consolidated		
		Mar-21	Mar-20	Variation	Mar-21	Mar-20	Variation
1	Debtors Turnover Ratio (Days)	1,296.44	228.19	468.13%	46.68	43.36	7.67%
2	Inventories Turnover Ratio	-	0.40	(100.00%)	-	-	-
3	Interest Coverage Ratio	0.33	1.22	(73.23%)	0.05	(0.12)	(144.55%)
4	Current Ratio	0.75	0.90	(16.40%)	0.22	0.25	(8.82%)
5	Debt Equity Ratio	1.97	1.52	30.03%	(11.70)	20.00	(158.51%)
6	Net Debt/EBIDTA	19.70	6.17	219.52%	19.96	24.14	(17.32%)
7	Operating Profit Margin	63.10%	67.35%	(6.30%)	66.97%	55.03%	21.69%
8	Net Profit Margin	(149.21%)	(441.81%)	(66.23%)	(165.84%)	(152.79%)	8.54%

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:

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

HUMAN RESOURCE DEVELOPMENT:

Arshiya Group has 200+ employees. As the Company is growing, it focuses on development of all the employees by providing them training. Strong emphasis is placed on building a healthy and rewarding work environment while constantly improving employee engagement.

The Company provides an open and dynamic work environment where the organization believes in its people and recognizes that its success and growth are driven by people.

In the Company, people are our competitive advantage. It is our employees who create extraordinary results for our customers on continuous basis. We respect our people and value the strength of each employee.

FORWARD-LOOKING AND CAUTIONARY STATEMENTS:

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term.

Arshiya not only adheres to the prescribed Corporate Governance practices as per the Listing Regulations but is also committed to sound Corporate Governance principles and practices.

Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times

Our Endeavour is to follow the spirit of good governance rather than the mere letter of the conditions specified by regulatory authorities. The Company has strived to adopt a corporate governance framework to align itself with the new guidelines of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations.

2. THE BOARD OF DIRECTORS

A. Composition of the Board:

We believe that the Board of Directors needs to have an appropriate mix of Executive and Non-Executive Directors to maintain its independence and segregation of its functions of governance and management. The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Independent Director.

The composition of the Board of Directors is in conformity with the requirements of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As at 31st March, 2021, the Board consist of 6 (Six) Members with Promoter Director as Chairman and Managing Director, 1 (One) Woman Director and 4 (Four) Non-Executive Independent Directors including One Independent Woman Director.

The Chairman and Managing Director along with the Board of Directors provide leadership to the Board and to the Management in strategizing and realizing business objectives. The Independent Directors contribute by giving their valuable guidance and inputs with their independent judgment on the overall business strategies and performance.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee & Stakeholders Relationship Committees as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the companies in which he/she is Director. The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors holds office in more than 20 companies and in more than 10 public companies.

B. Directorship in other listed entities including category of Directorship:

Name of Director	Listed Entities	Category of Directorship
Mr. Ajay S Mittal	Mega Fin (India) Limited	Non-Executive - Non Independent Director, Chairperson and also a Promoter
Mrs. Archana A Mittal	NIL	-
Mr. Ashishkumar Bairagra	NIL	-
Mr. Rishabh Shah	Kesar Enterprises Limited	Non-Executive - Independent Director
Mr. T. S. Bhattacharya (Upto 27th June, 2020)	Surya Roshni Limited Nandan Denim Limited Uflex Limited	Non-Executive - Independent Director, Shareholder Director Non-Executive - Independent Director Non-Executive - Independent Director Non-Executive - Independent Director
Mrs. Manjari Ashok Kacker	Dhanvarsha Finvest Limited Reliance Communications Limited Reliance Infrastructure Limited	Non-Executive - Independent Director Non-Executive - Independent Director Non-Executive - Independent Director
Mr. Ved Prakash (W.e.f 27th June, 2020)	NIL	-

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

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

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

D. Detail of Skills/ Expertise/ Competence of the Board of Directors:

The Board of Directors has identified certain skills, expertise and competence as may be required in the context of its business viz., Positive attitude, Attention and concern for shareholder's interest, promptness, contribution in improving financial and other functions of the Company, Inputs on inclusion of matters to be discussed at Board Meetings to improvise the operating procedures, Understanding of laws having impact on Company's business and Trading industry as a whole. The Board of Directors is competent in terms of above said skills/ expertise and competence.

E. Meetings of Board and attendance:

In Compliance with Regulation 17 of the Listing Regulations and as required under the Companies Act, 2013 the Board meets at least once in each quarter and pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 173 of the Companies Act, 2013 the intervening gap between any two meetings should not exceed 120 days, however, relaxation were granted by SEBI vide circular No. SEBI/ HO/CFD/CMD1/CIR/P/2020/38 dated 19th March, 2020 and Ministry of Corporate Affairs vide General Circular No. 11/2020 dated 24th March, 2020 due to Covid-19 pandemic.

During the year under review, the Board of Directors met 5 (Five) times on 27th June, 2020; 25th August, 2020; 11th November, 2020; 26th December, 2020 and 10th February, 2021.

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

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

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

i.) Annual operating plans and budgets and any updates.

ii.) Capital budgets and any updates.

iii.) Quarterly results for the listed entity and its operating divisions or business segments.

iv.) Minutes of meetings of audit committee and other committees of the board of directors.

v.) The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.

vi.) Show cause, demand, prosecution notices and penalty notices, which are materially important.

vii.) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

viii.) Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.

ix.) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.

x.) Details of any joint venture or collaboration agreement.

xi.) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.

xii.) Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

xiii.) Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.

xiv.) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement if material.

xv.) Non-compliance of any regulatory, statutory, or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The following table gives the attendance of the Directors at the Board meetings of the Company and also the number of other Directorships held in Indian Public Limited Companies (other than the Company) and Chairmanship / Membership in Board Committees of Public Limited Companies as at 31st March, 2021. 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, Investor Grievances And Stakeholders Relationship Committee.

Necessary Quorum was present for all the meeting:

Sr. No.	Name of the Directors	DIN	Category*	Number of Board meetings held during the Year 2020 – 2021 Director's Attendance		Director ships in other Public Companies	Membership / Chairmanship of Committees in other Public Companies		Attendance at the A.G.M Held on 25th September, 2020
				Held	Attended		Chairman	Member	
1	Mr. Ajay S Mittal	00226355	PD	05	05	06	00	03	Yes
2	Mrs. Archana A Mittal	00703208	WPD	05	03	01	00	00	Yes
3	Mr. Ashishkumar Bairagra	00049591	NE-ID	05	05	07	03	01	Yes
4	Mr. Rishabh Shah	00694160	NE-ID	05	05	05	01	03	Yes
5	Mr. Tara Sankar Bhattacharya (upto 27th June, 2020)	00157305	NE-ID	05	00	04	NA	NA	NA
6	Mrs. Manjari Ashok Kacker	06945359	NE-WID	05	03	04	01	03	No
7	Mr. Ved Prakash (W.e.f 27th June, 2020)	02988628	NE-ID	05	04	00	00	00	No

*PD: Promoter Director, WPD: Woman Promoter Director, ED: Executive Director: NE-ID Non-Executive Independent Director, NE-WID Non-Executive Woman Independent Director.

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

F. Independent Directors:

The Independent Directors play an important role in the deliberations in Board Meetings and bring with them rich expertise in the field of finance, Public Policy, Law, Social reforms, industry, marketing, accountancy and other areas. None of the Independent Directors serves as an Independent Director in more than seven listed companies. During the financial year 2020-21, Mr. Tara Shankar Bhattacharya resigned as an Independent Director w.e.f 27th June, 2020 and Mr. Ved Prakash appointed as an Additional Independent Director w.e.f 27th June, 2020.

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/arshiya/assets/pdf/Appointment%20 letters.pdf

G. Separate Meeting of the Independent Directors:

Schedule IV of the Companies Act, 2013 and the Rules under and Regulation 25 (3) of the Listing Regulations, mandates that the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management.

The Independent Directors held a Meeting on 12th February, 2021 without the attendance of Non-Independent Directors and Member of Management. Mr. Ashishkumar Bairagra; Mr. Rishabh Shah, Mrs. Manjari Kacker and Mr. Ved Prakash were present at the meeting of Independent Director.

H. 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/arshiya/assets/pdf/Familarisation%20programmes%20for%20ID.pdf

I. 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.

J. Materially significant related party transactions:

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

3. COMMITTEES OF THE BOARD

The Board currently has the following committees:

A. Audit Committee;

B. Nomination and Remuneration Committee;

C. Share Transfer, Investor Grievances and Stakeholders Relationship Committee ;

D. Committee of Directors;

E. Corporate Social Responsibility Committee, and

F. Risk Management Committee*

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

*Risk Management Committee was constituted on 30th June, 2021 with the approval of the Board of Directors.

A. **AUDIT COMMITTEE**

In compliance with the provisions of Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the Audit Committee are financially literate and have experience in financial management. All the recommendations made by the Audit Committee during the year under review were accepted by the Board and the Company have a duly constituted Audit Committee.

a.) Terms of Reference of the Committee:

The terms of reference of the Audit Committee has been reviewed by the Board of Directors, which covers the areas mentioned in Section 177 of the Act and Regulation 18 (3) read with Part C of Schedule II to the Listing Regulations.

The terms of reference of the Audit Committee, inter-alia are as follows:

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 recozmmendations 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	Approval or any subsequent modification of transactions of the listed entity with related parties;	

15	Scrutiny of inter-corporate loans and investments;
16	Valuation of undertakings or assets of the listed entity, wherever it is necessary;
17	Evaluation of internal financial controls and risk management systems;
18	Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
19	Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
20	Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
21	Carrying out any other function as is assigned to the Audit Committee.
22	Such other powers and duties as may be required to be included in terms of Listing Regulations amended from time to time.

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

During the year, the Audit Committee met Four times on 27th June, 2020; 25th August, 2020; 11th November, 2020 and 10th February, 2021. The composition of the Audit Committee as at 31st March, 2021 and details of the attendance of the members of the committee at the meetings of the Committee are as under:

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

The Chairman of the Audit Committee was present at the previous Annual General Meeting held on 25th September, 2020.

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.

c.) Internal Audit

The Audit Committee, inter-alia, reviews the adequacy of the internal control functions, and reviews the Internal Audit. The Audit Committee is provided with necessary assistance and information to carry out their functions effectively.

B. NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, Company have a duly constituted Nomination and Remuneration Committee.

The Nomination and Remuneration Policy is available on our website http://www.arshiyalimited.com/arshiya/assets/pdf/NRC%20Policy.pdf

a.) Terms of Reference of the Committee:

The terms of reference of the Nomination and Remuneration Committee (NRC) has been reviewed by the Board of Directors, which covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations.

The terms of reference of the NRC, inter-alia are as follows:

1.	Succession planning of the Board of Directors and Executive Committee.
2.	Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria.
3.	Nomination for election or re-election by the shareholders, and any Board vacancies that are to be filled.
4.	Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and Members of the Executive Committee and their remuneration:
5.	Coordinates and oversees the annual self-evaluation of the Board and of individual directors;
6.	Reviews the performance of all Executive Directors on a half-yearly basis or at such intervals as may be necessary on the basis of detailed performance parameters set for each executive director at the beginning of the year;
7.	Formulation of criteria for evaluation of performance of independent directors and the board of directors;
8.	Devising a policy on diversity of board of directors;
9.	Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
10.	Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
11.	To recommend to the board, all remuneration, in whatever form, payable to senior management.

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

During the year, the Nomination and Remuneration Committee met three times on 27th June, 2020; 25th August, 2020 and 10th February, 2021. The composition of the Committee as at 31st March, 2021 and details of the attendance of the members of the committee at the meetings of the Committee are as under:

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

c.) Remuneration Policy

The Company's philosophy for remuneration of Directors, Key Managerial Personnel and all other employees is based on the commitment of fostering a culture of leadership with trust.

In compliance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors in consultation with the Nomination and Remuneration Committee has formulated the Nomination and Remuneration Policy, which is aligned to this philosophy.

The key factors considered in formulating the Policy are as under:

a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;

b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals

d.) Remuneration paid to Directors:

Your Company benefits from the professional expertise and invaluable experience of the Independent Directors in their individual capacity as competent professionals/business executives in achieving corporate excellence. During the period, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors.

The Company has not granted any stock options to any of its Non-Executive Directors.

Details of Remuneration to Managing Director, Whole-time Directors and/or Manager for the year ended 31st March, 2021 are given below:

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

Directors have waived off the managerial remuneration for the FY 2020-21 due to inadequate profit.

Details of Sitting Fees to Non-executive Independent Directors for the year ended 31st March, 2021 are given below:

Sr. No.	Name of Directors	Sitting Fees paid (₹)	No. of shares held (Face Value ₹ 2/- each)
1.	Mr. Ashishkumar Bairagra	1,25,000	NIL
2.	Mr. Rishabh Shah	1,20,000	NIL
4.	Mr. Tara Sankar Bhattacharya*	NIL	NIL
5.	Mrs. Manjari Ashok Kacker	60,000	NIL
6.	Mr. Ved Prakash#	80,000	-

*Resigned w.e.f. 27.06.2020

#Appointed w.e.f. 27.06.2020

C. SHARE TRANSFER, INVESTOR GRIEVANCES AND STAKEHOLDERS RELATIONSHIP COMMITTEE:

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, Company have a duly constituted Share Transfer, Investor Grievances and Stakeholders Relationship Committee.

a.) Terms of Reference of the Committee:

The terms of reference of the Share Transfer, Investor Grievances and Stakeholders Relationship Committee (STIGSRC) has been reviewed by the Board of Directors, which covers the areas mentioned in Section 178 (5) of the Act and Regulation 20 read with Part D (B) of Schedule II to the Listing Regulations.

The terms of reference of the STIGSRC, inter-alia are as follows:

1	The Share Transfer, Investor Grievances and Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and Investor Grievances, Transfer/ Transmission of Shares, Issue of Duplicate Shares, Exchange of New Design Share Certificates, Recording Dematerialisation/ Rematerialization of Shares and related matters.
2	Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
3	Review of measures taken for effective exercise of voting rights by shareholders.
4	Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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

Our Share Transfer, Investor Grievances and Stakeholders Relationship Committee comprises of two independent directors and one Promoter Executive Director as on 31st March, 2021.

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

During the year, the Stakeholders Relationship Committee met four times on 27th June, 2020; 25th August, 2020; 11th November, 2020 and 10th February, 2021.

Details of meetings attended by its members till 31st March, 2021 are given below:

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

c.) SEBI Complaints Redressal System (SCORES):

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

d.) Status of Investors Complaints:

The Committee ensures that the shareholders' / investors' grievances and correspondence are attended and resolved expeditiously. During the year under review, the Company has not received any investor grievances/ complaints

e.) Dematerialization of Shares and liquidity:

The Company's shares are traded in the electronic forum. We have established connectivity with both the depositories in India – National Securities Depository Limited and Central Depository Services (India) Limited (NSDL & CDSL). The International Securities Identification Number (ISIN) allotted to Company is INE968D01022. The shareholding in dematerialized mode as on 31st March, 2021 was 99.80% (99.81% as of 31st March, 2021).

f.) Designated Correspondence for Investor Services:

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

D. COMMITTEE OF DIRECTORS

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

a.) Terms of Reference of the Committee:

The terms of reference of the Committee of Directors, inter-alia are as follows:

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

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

The Committee of Directors comprises of two Non-Executive Independent Directors and one Promoter Executive Director as on 31st March, 2021. During the year under review one meeting was held of Committee of Directors on 03rd March, 2021.

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

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act, 2013.

a.) Terms of Reference of the Committee:

The terms of reference of the CSR Committee are:

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

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

The Company's CSR Committee is comprised of an Independent Director as chairperson and two Promoter Executive Directors as members as on 31st March, 2021:

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

The Committee did not convene any meeting during the year.

The CSR policy of the company is available on our website at http://www.arshiyalimited.com/arshiya/assets/pdf/Corporate%20social%20responsibilty%20policy.pdf

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

F. RISK MANAGEMENT COMMITTEE

During the year under review, the provision relating to the Risk Management Committee (RMC) under Regulation 21 of the SEBI Listing Regulations was not applicable to the Company. However, in line with the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 as amended and The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the formation of the RMC for the top 1,000 listed entities based on market capitalization. In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Company has constituted the Risk Management Committee w.e.f. 30th June, 2021.

Sr. No.	Name of Members	Category	No. of meetings held	No. of meetings attended
1	Mr. Ajay Mittal – Chairperson	Promoter Director	N.A.	N.A.
2	Mr. Ved Prakash – Member	Non-Executive Independent Director	N.A.	N.A.
3	Mrs. Manjari Kacker – Member	Non-Executive Independent Director	N.A.	N.A.

Terms of Reference of the Committee:

1.	To formulate a detailed risk management policy which shall include: (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee. (b) Measures for risk mitigation including systems and processes for internal control of identified risks. (c) Business continuity plan.
2.	To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3.	To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4.	To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5.	To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6.	The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk management Policy is available on our website http://www.arshiyalimited.com/arshiya/assets/pdf/Risk%20Management%20Policy.pdf

4. **SUBSIDIARY COMPANIES**

All the corporate governance requirements as applicable with respect to material unlisted subsidiary has been complied with by the material unlisted Subsidiary as defined under Regulation 16 of the Listing Regulations.

In compliance with the conditions specified in Regulation 24 (1), Independent Director(s) on the Board of the Company, have been appointed as Independent 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.

The Company has formulated a policy for determining Material Subsidiaries and the Policy is disclosed on the Company's website at the http://www.arshiyalimited.com/arshiya/assets/pdf/Policy%20on%20Material%20Subsidiaries.pdf

5. **GENERAL BODY MEETINGS**

a) Location, time and date where last three General Meetings were held are given below:

Financial Year	Date and Time	Venue
2020-21	AGM- 25th September, 2020 at 11.30 a.m	Through video conferencing / other audio visual means
2019-20	Court Convened Meeting – 13th January, 2020 at 03:00 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai – 400018
2019-20	AGM – 30th September, 2019 at 03:00 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai – 400018
2019-20	Postal Ballot- 29th July, 2019	N.A.
2018-19	AGM – 18th September, 2018 at 03:00 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai - 400018

b) In the last three General Meetings, the following Special Resolutions were passed:

Meetings held on	Special Resolution passed
AGM – 25th September, 2020	- NIL
Court Convened Meeting – 13th January, 2020	- To approve the Composite Scheme of Arrangement between Arshiya Limited ("Demerged Company") and Arshiya Rail Infrastructure Limited ('Resulting Company") and their respective shareholders and creditors (the "Scheme").
AGM – 30th September, 2019	- To re-appoint Mr. Ashishkumar Bairagra (DIN 00049591) as an Independent Director. - To re-appoint Mr. Rishabh Shah (DIN 00694160) as an Independent Director. - To approve and adopt Arshiya Limited Employee Stock Option Scheme 2019. - To approve grant of Stock Options to the Employees/Directors of Holding, and/or Subsidiary Company (ies) (Present & Future) under the ESOP Scheme 2019. - Approval for sale of the Company's undertaking in Arshiya Rail Infrastructure Limited (ARIL), a wholly owned material subsidiary of the Company. - Approval for sale of the Company's undertaking in Arshiya Industrial & Distribution Hub Limited (AIDHL), a wholly owned material subsidiary of the Company. - Issue of equity shares on preferential basis.
Postal Ballot- 29th July, 2019	- Reclassification of the authorised share capital and consequent alteration of the memorandum of association. - Issue Of Compulsory Convertible Debentures and Optionally Convertible Redeemable Preference Shares on Preferential Basis:
AGM –18th September, 2018	NIL

All resolutions moved at the last general meetings were passed by means of electronic and physical voting, by the requisite majority of members attending the meeting.

Person who conducted the postal ballot exercise – Not Applicable.

None of the businesses proposed to be transacted at the ensuing AGMs/ EGMs require the passing of a special resolution by way of postal ballot.

6. MEANS OF COMMUNICATION

Website: The Company's website contains a separate dedicated section "Investor Centre" where information sought by shareholders is available. The Annual Report of the Company, Policies and Quarterly Reports of the Company, apart from the details about the Company, Board of Directors and Management, are also available on the website in a user friendly and downloadable form at http://www.arshiyalimited.com/investor-centre.html

Quarterly Result:

a) The quarterly, half-yearly and annual financial results of the Company are availiable on www.nseindia.com and on www.bseindia.com in accordance with the requirements of Listing Regulations. The financial results are displayed on BSE and NSE websites.

b) The extract of standalone and consolidated financial results quarterly/half yearly/annually are usually published in the Business Standard/ Active Time(English) and the Mumbai Lakshadeep/ Navshakti Newspaper (Marathi).

Shareholding Pattern and the Corporate Governance Report:

The quarterly Shareholding Pattern and the Corporate Governance Report of the Company are available on www.nseindia.com and www.bseindia.com. The Shareholding Pattern and Corporate Governance Report are also displayed on the Company's website under the "Investor Relations" section.

Annual Report:

Annual Report containing audited standalone accounts, consolidated financial statements together with Board's Report, Auditors Report and other important information are circulated to members entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website www.arshiyalimited.com

SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

In terms of the Listing Regulations, the Company has a designated email ID for dealing with Investors' complaints viz., teamsecretarial@arshiyalimited.com.

7. DISCLOSURES

Materially significant Related Party Transaction

The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval in compliance with the provisions of the Companies Act, 2013 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, during the financial year 2020-21 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which conflicted with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements.

The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the link: http://www.arshiyalimited.com/arshiya/assets/pdf/Related%20Party%20Transaction%20Policy.pdf

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges / SEBI / and Statutory Authority on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the companies by these authorities.

Whistle Blower Mechanism

Pursuant to Regulation 22 of the Listing Regulations, the Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code or ethics. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy is displayed on the website of the Company viz http://www.arshiyalimited.com/arshiya/assets/pdf/Vigil%20mechanism%20-%20Whistle%20Blower%20Policy.pdf

Disclosure of Accounting Treatment

The financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs ("MCA") pursuant to the Section 133 of the Companies Act, 2013 ("the Act") read with of the Companies (Indian Accounting Standards) Rules 2015, (as amended) and other relevant provisions of the Act.

Disclosure on risk management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. A risk management committee consisting of senior executives of the Company periodically reviews these procedures to ensure that executives' management controls risk through means of a properly defined framework. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board. The risk management policy is displayed on the website of the Company viz. http://www.arshiyalimited.com/arshiya/assets/pdf/Risk%20Management%20Policy.pdf

Total fees paid by the Company and its subsidiaries, on a consolidated basis to Chaturvedi & Shah. LLP, Statutory Auditors and all entities in its network firm/network entity, during the Financial Year 2020-21.

(₹ In Lakhs)

Particulars	Amount (including GST)
Audit fees	80.73
Other services/certifications	16.10
Reimbursement of expenses	-
Total	96.83

A certificate from a Company Secretary in practice

A certificate from the Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached with this Annual Report.

Compliance with Corporate Governance Requirements as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has adhered to all the mandatory and non-mandatory requirements of the Corporate Governance as specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Prevention of Insider Trading

The Company has formulated and adopted a Code for Prevention of Insider Trading. The policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. It also prohibits the purchase or sale of Company's shares by the Directors, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Policy is available on our website http://www.arshiyalimited.com/arshiya/assets/pdf/Code%20of%20Conduct%20for%20Insider%20Trading%20and%20%20Fair%20Disclosure.pdf

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

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

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.

Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The details of number of complaints received and disposed off during the year ending 31st March, 2021 is given in the Directors' report.

CEO and CFO Certification:

In accordance with Regulation 33 read with Schedule IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO and CFO Certification for the Financial Year ended 31st March, 2021 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***

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.

Accordingly, necessary resolutions are being placed for approval of the members at the 40th Annual General Meeting of the Company.

Certificate by Practicing Company Secretary

The Company has received certificate from Mr. Aabid, Partner of, Aabid & Co., Company Secretaries, Practising Company Secretaries, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate of Affairs or any such authority.

The Certificate of Company Secretary in practice is annexed herewith as a part of the report as ***Annexure-C***.

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.

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 accordance 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.

With pursuant to Section 101 of Companies Act 2013 read with Rule 18(3) (1) of The Companies (Management and Administration) Rules, 2014 and Rule 11 of Companies (Accounts) Rules, 2014 and to support the "Green Initiative in Corporate Governance" by The Ministry of Corporate Affairs (MCA) issued via. two circulars nos.17/2011 and 18/2011 dated April 21, 2011 and dated April 29, 2011 respectively, shareholders are requested to intimate their email id' s to their Depository Participants (DP) in order to update the record' s with CDSL. Also shareholders holding shares in physical form can email the addresses by sending an e-mail on teamsecretarial@arshiyalimited.com mentioning your Name and Folio No.

Disclosure on compliance with corporate governance requirements:

Your Company has complied with all the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the listing Regulations, wherever applicable to your company.

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

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

However, the Company had made following preferential allotment (s) and allotment under ESOP Scheme 2019:

Preferential Allotment (upon conversion of OCRPS):

Date of Allotment	Allottees	* No of OCRPS	No of Warrants	No of Equity Shares	Amount Involved	No of warrants and OCRPS pending for conversion
10th February, 2021	Edelweiss Asset Reconstruction Company Limited (EARC trust SC 334)	80,000 of ₹ 1,000 each	-	25,00,000	8,00,00,000	Nil

* Optionally Convertible Redeemable Preferences Shares (OCRPS)

Allotment of Equity shares pursuant to the Scheme of ESOP of Arshiya Limited - 2019:

Sr.No	Particulars	No. of shares allotted
1.	Mr. Amit Gupta	7,50,000
2.	Mr. Dinesh Kumar Sodani	2,50,000
3.	Mr. Navnit Choudhary	5,00,000
4.	Mr. Sarvothama Shetty	1,00,000
5.	Mr. Vinod Parekh	1,00,000
TOTAL		**17,00,000**

8. GENERAL SHAREHOLDER INFORMATION

A) General Information:

Date and Time of 40th AGM	27th September, 2021 at 11.30 A.M
Venue of 40th AGM	through Video Conference / Other Audio-Visual means
Dates of Book Closure	20th September, 2021 to 26th September, 2021
Financial Year	April to March
Registered Office address	302, Level 3, Ceejay House, Shiv Sagar Estate, F Block, Dr. Annie Besant Road, Worli, Mumbai–400018.
Compliance Officer	Mrs. Ratika Gandhi- Company Secretary & Compliance Officer
Website address	www.arshiyalimited.com

B) Tentative Financial Calendar:

First Quarter Results	On or before 14th August, 2021
Half Yearly Results	On or before 14th November, 2021
Third Quarter Results	On or before 14th February, 2022
Audited Results for the year 2021-2022	On or before 30th May, 2022
Annual General Meeting for the year ending 31st March, 2022.	On or before 30th September, 2022

C) Listing on Stock Exchanges and Stock Code :

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Phones : (022) 22721233/4, 91-22-66545695 Fax : (022) 22721919 **Stock Code:**506074	**National Stock Exchange of India Ltd.,** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E)Mumbai – 400 051 Tel No: (022) 26598100 - 8114 Fax No: (022) 26598120 **Stock Code:** ARSHIYA

The Company has paid Annual Listing Fees for the financial year 2021-22 to each of the Stock Exchanges, where the equity shares of the Company are listed.

D) Demat ISIN Number for CDSL and NSDL : INE968D01022

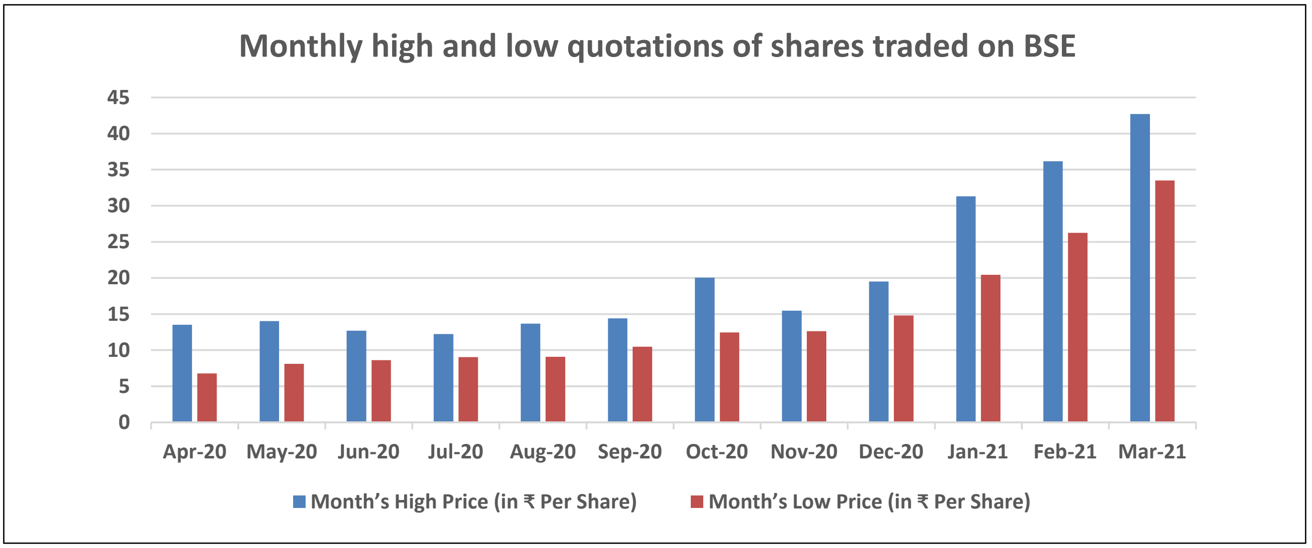
E) Market Price Data and Relative Performance:

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-2020	13.51	6.77	13,93,766	33,887.25	27,500.79
May-2020	14.04	8.11	15,63,557	32,845.48	29,968.45
June-2020	12.69	8.61	15,65,723	35,706.55	32,348.1
July-2020	12.21	9.03	10,80,227	38,617.03	34,927.2
August-2020	13.65	9.06	38,61,408	40,010.17	36,911.23
September-2020	14.41	10.46	22,12,621	39,359.51	36,495.98
October-2020	20.03	12.46	55,79,147	41,048.05	38,410.2
November-2020	15.47	12.62	8,45,473	44,825.37	39,334.92
December-2020	19.5	14.8	26,98,310	47,896.97	44,118.1

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
January-2021	31.3	20.45	2,03,83,918	50,184.01	46,160.46
February-2021	36.15	26.25	1,17,99,933	52,516.76	46,433.65
March-2021	42.7	33.5	73,84,133	51,821.84	48,236.35

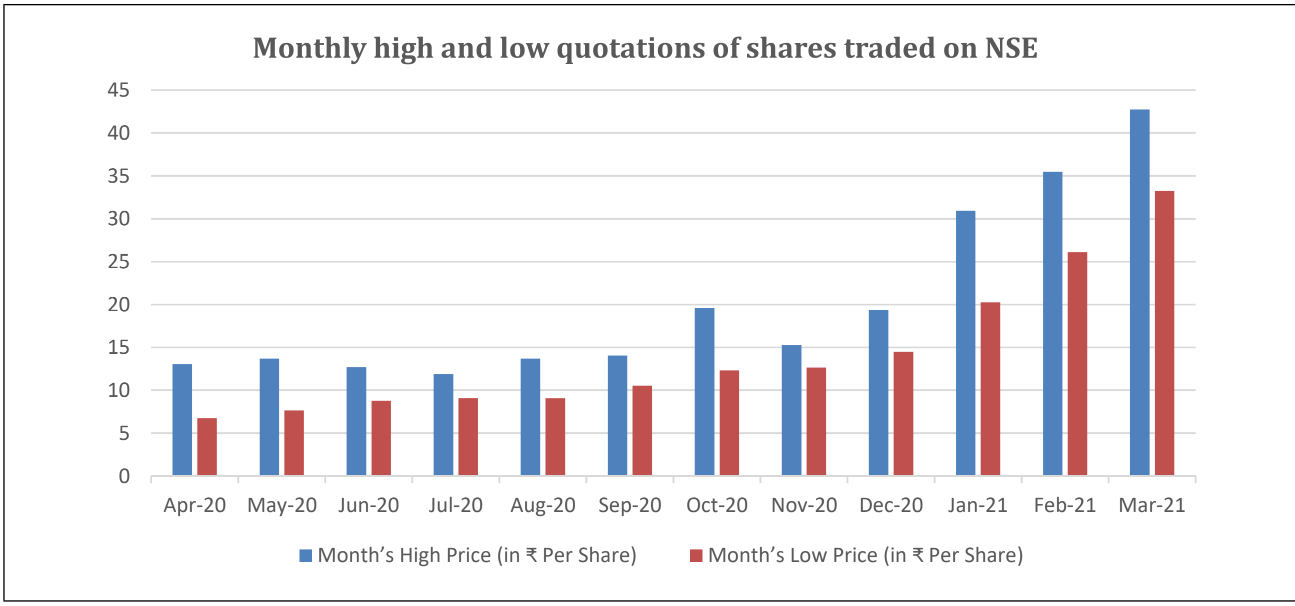
***Source: www.bseindia.com**



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-2020	13.05	6.75	4,02,439	9,889.05	8,055.8
May-2020	13.70	7.65	6,09,153	9,598.85	8,806.75
June-2020	12.70	8.80	6,00,183	10,553.15	9,544.35
July-2020	11.90	9.10	4,61,714	11,317.75	10,595.2
August-2020	13.70	9.05	12,82,134	11,794.25	10,908.1
September-2020	14.05	10.55	774176	11,584.95	10,790
October-2020	19.60	12.30	16,25,576	12,025.45	11,347.05
November-2020	15.30	12.65	7,25,967	13,145.85	11,557.4
December-2020	19.35	14.50	9,08,898	14,024.85	12,962.8
January-2021	30.95	20.25	23,25,779	14,753.55	13,596.75
February-2021	35.50	26.10	10,24,713	15,431.75	13,661.75
March-2021	42.74	33.25	16,01,171	15,336.3	14,264.4

#Source: www.nseindia.com



F) Registrar & Share Transfer Agent:

Bigshare Services Private Ltd.
1stFloor, 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

G) Share Transfer System:

Share transfers are processed and duly endorsed share certificates are dispatched within a period of fifteen days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, dematerialisation of shares etc. to the Share Transfer, Investor Grievances & Stakeholders Relationship Committee. A summary of transactions so approved by the committee is placed at the Board Meeting held quarterly. The Company obtains a half-yearly certificate from Practicing Company Secretaries as per the requirement under Regulation 40(9) of the Listing Regulations read with SEBI Circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/59, dated 13th April, 2020 and Circular No. SEBI/HO/MIRSD/RTAMB/P/CIR/2021/558 dated 29th April, 2021. These certificates were duly filed with the Stock Exchanges and available on the website of the Company. In terms of requirements to amendments to Regulation 40 of Listing Regulations w.e.f. 31st March, 2021, transfer of securities in physical form shall not be processed unless the securities are held in the dematerialized form with a depository. All requests for dematerialization of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. In this regard, a communication encouraging dematerialisation of shares and explaining procedure thereof, was also sent during the year to the concerned shareholders of the Company.

H) Category wise distribution of equity shareholding as at 31st March, 2021:

Category	No. of Shares Held	% age of Shareholding
Promoter and Promoter Group	1,24,416,225	47.44
Mutual Fund	25,000	0.01
Foreign Portfolio Investors	13,22,988	0.50
Bodies Corporate	1,00,494,738	38.32

Category	No. of Shares Held	% age of Shareholding
Financial Institution/Banks	27,75,100	1.06
Clearing Member	1,60,308	0.06
Director/relative	6,000	0.00
Employee	7,132	0.00
NRI	14,41,790	0.55
Foreign National	3,00,000	0.11
Overseas Corporate Bodies	20,47,495	0.78
HUF	22,62,317	0.86
ESOP or ESOS or ESPS	17,00,000	0.65
Government	20,000	0.01
Public	2,52,96,822	9.65
GRAND TOTAL	**26,22,75,915**	**100.00**

I) Distribution of shareholding as on 31st March, 2021:

Number of Equity shares held	Total Holders	% of total holders	Total Holding in number of equity shares	% of Total Capital
01 - 500	7092	75.699	913665	0.354
501 - 1000	829	8.8474	682291	0.2644
1001 - 2000	548	5.8485	831353	0.3221
2001 - 3000	204	2.1772	527675	0.2045
3001 - 4000	120	1.2807	433696	0.168
4001 - 5000	93	0.9925	445372	0.1726
5001 - 10000	166	1.7823	1268193	0.4914
10001 & Above	321	3.3725	257173670	98.055
Total	**9373**	**100.0000**	**262275915**	**100.00**

J) Dematerialization of shares and liquidity:

Approximately 99.80% of the total number of shares are in dematerialized form as on 31st March, 2021. The Equity shares of the Company are traded on the BSE Limited and National Stock Exchange of India Limited.

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

As per the Scheme of ESOP of Arshiya Limited, 2019 Board of directors of the Company has granted 4,00,000/- options in their meeting held on 30th June, 20201 to the eligible employee of the company to be converted into equity shares of ₹ 2/- of each.

L) 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 LIMITED

1stFloor, 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

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

Arshiya Limited

Registered 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 **Email**: teamsecretarial@arshiyalimited.com

Annexure-A

CERTIFICATION BY THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER ON FINANCIAL STATEMENTS OF THE COMPANY

We, Mr. Ajay S Mittal, Chairman & Managing Director and Mr. Dinesh kumar Sodani, Chief Financial Officer of Arshiya Limited, to the best of our knowledge and belief certify to the Board that:

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our 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 our 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. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee

   1) that there are no significant changes in internal control over financial reporting during the year;

   2) that there are no significant changes in accounting policies during the year; subject to changes in the same and that the same have been disclosed in the notes to the financial statements; and

   3) that there are no instances of significant fraud of which we 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.

For ARSHIYA LIMITED

Ajay S Mittal
Chairman &Managing Director

Dinesh Kumar Sodani
Chief Financial Officer

Date: 25th June, 2021
Place: Mumbai

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To,
The Members of
Arshiya Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2021.

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
Dated: 13th August, 2021

Annexure-B

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Arshiya Limited

We have examined the compliance of conditions of Corporate Governance by Arshiya Limited, for the year ended 31st March, 2021 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, 2021, 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
Membership No. F6579

Date: 22nd July, 2021
Place: Mumbai

Annexure- C

CERTIFICATE FROM PRACTICING COMPANY SECRETARY
Certificate of Non-Disqualification Of Directors

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of Arshiya Limited
302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai – 400 018

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Arshiya Limited having CIN L93000MH1981PLC024747 and having registered office at 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai – 400 018 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Director	DIN NO.	Date of appointment in Company
1	Ajay S Mittal	00226355	20-04-2019
2	Archana A Mittal	00703208	20-04-2019
3	Ashishkumar Bairagra	00049591	10-09-2019
4	Rishabh Shah	00694160	10-09-2019
5	Manjari Kacker	06945359	25-09-2020
6	Ved Prakash	02988628	25-09-2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of 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
Membership No.: F6579

Date: 22nd July, 2021
Place: Mumbai

BUSINESS RESPONSIBILTY REPORT

BUSINESS RESPONSIBILITY REPORT 2020-21

Our Business Responsibility Report includes our responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, covering topics across environment, governance, and stakeholder relationships. In keeping with the guiding principles of integrated reporting, we have provided cross-references to the reported data within the main sections of this Annual Report and Sustainability Report for all aspects that are material to us and to our stakeholders.

Business Responsibility Report

As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN) of the Company	L93000MH1981PLC024747
2.	Name of the Company	Arshiya Limited
3.	Registered address	302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai – 400 018, Maharshtra.
4.	Website	www.arshiyalimited.com
5.	E-mail id	teamsecretarial@arshiyalimited.com
6.	Financial Year reported	FY 2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	52109
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Arshiya Limited (the Company) is a unified supply chain and integrated logistics infrastructure solution provider and is engaged in the business of Free Trade and Warehousing Zone (FTWZ), Domestic Warehousing Zone, value added services and Data Centre alongwith development, operations and maintenance of FTWZ, IT SEZ. (FTWZ's are developed under the provisions of Special Economic Zone Act, 2005 and the Special Economic Zone Rules, 2006.) The 3 Services provided by your Company as per Balance Sheet: i. FTWZ/SEZ (Free Trade Warehousing Zone/ Special Economic Zone) ii. Rail Transport Operations/ICD(Inland Container Depot) iii. Domestic Warehousing
9.	Total number of locations where business activity is undertaken by the Company	
	Number of International Locations	Not Applicable
	Number of National Locations	3 (Panvel - Maharashtra, Khurja - UP and Aerocity - New Delhi)
10.	Markets served by the Company- Local/ State/National/International	The Company serves Local, State, National as well as International clients.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1.	Paid up Capital (INR)	26,22,75,915 equity shares of face value of ₹ 2 each ₹ 52,45,51,830/-
2.	Total Turnover (INR)	₹ 6,720.59 Lakhs
3.	Total profit after taxes (INR)	Loss of ₹ 10,028.03 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Not Applicable
5.	List of activities in which expenditure in 4 above has been incurred	Not Applicable

SECTION C: OTHER DETAILS

Sr. No.	Particulars	Company Information
1.	Does the Company have any Subsidiary Companies?	Yes
2.	Do the Subsidiary Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:	30 to 60%

SECTION D: BR INFORMATION

1. Details of Director/Directors and BR Head responsible for implementation of the BR policy / policies:

Sr. No.	Particulars	Details
1.	Director Identification Number (DIN)	00226355
2.	Name	Ajay S Mittal
3.	Designation	Managing Director
4.	Telephone number	022-42303500
5.	e-mail id	info@arshiyalimited.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3 (P3)	Businesses should promote the well-being of all employees.
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5 (P5)	Businesses should respect and promote human rights
Principle 6 (P6)	Businesses should respect, protect and make efforts to restore the environment
Principle 7 (P7)	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Yes	N.A.	Yes	Yes	Yes	Yes	N.A.	Yes	Yes.
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	N.A.	Yes	Yes	Yes	Yes	N.A.	Yes	Yes.
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Arshiya's Policies are as per orders issued by Ministry of Corporate Affairs, Government of India, in July 2011 on 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' and as per SEBI requirements on BRR vide circular No. CIR/CFD/DIL/8/2012 dated 13th August, 2012.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes	N.A.	Yes	Yes	Yes	Yes	N.A.	Yes	Yes.
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	N.A.	Yes	Yes	Yes	Yes	N.A.	Yes	Yes.
6	Indicate the link for the policy to be viewed online?	http://www.arshiyalimited.com/investor-centre.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	N.A.	Yes	Yes	Yes	Yes	N.A.	Yes	Yes.
		The policy has been communicated through company's website www. arshiyalimited.com								

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8	Does the Company have in-house structure to implement the policy/ policies?	Yes	N.A.	Yes	Yes	Yes	Yes	N.A.	Yes	Yes.
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	N.A.	Yes	Yes	Yes	Yes	N.A.	Yes	Yes.
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The policies are evaluated internally								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	Yes	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	Yes	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 Months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	Yes	-	-	-	-	Yes	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: N.A.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?: N.A.

SECTION E: PRINCIPLE-WISE PERFORMANCE – included in this report

Preface

The Securities and Exchange Board of India (SEBI) has mandated India's top 1,000 listed entities based on market capitalization on the BSE and NSE to submit a 'Business Responsibility Report'(BRR) along with their Annual Report. Your Company hereby presents its Business Responsibility Report for the F. Y.2020-21.

This BRR provides information about the key initiatives undertaken by the Company, driven by the triple bottom line aspects viz. social, environmental and economic. The business responsibility performance of the Company is assessed periodically by its Board of Directors. The Company's approach to each principle is described below:

Principle 1: Businesses should conduct and govern themselves with ethics, transparency, and accountability.

1. Does the policy relating to ethics, bribery, and corruption cover only the company? Yes

2. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   Yes, our corporate governance practices apply across the Arshiya Group and extend to our suppliers and partners (including third parties). Our Code of Conduct and Ethics complies with the legal requirements of applicable laws and regulations, including anti-bribery and anti- corruption policies, ethical handling of conflicts of interest, and fair, accurate and timely disclosure of reports and documents that are filed with the required regulatory bodies in the regions we operate. A detailed description is available on http://www.arshiyalimited.com/arshiya/assets/pdf/Policy%20on%20Anti%20Corruption%20&%20Bribery.pdf

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

   For details on investor complaints and resolution, refer to the 'Investor complaints' in the Shareholder information section under Corporate Governance Report of this Annual Report.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

Our sustainability strategy strives to make:

- Our business sustainable
- Our clients' businesses sustainable
- Our ecosystem sustainable

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or Opportunities.

   The information as required forms part of MDA section in this report.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (if applicable): Not Applicable (Arshiya Limited being in service industry)

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
   The Company is in service industry there the same is not applicable.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
Not Applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)?
Yes

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof :

Arshiya engages in environment-friendly, green operations, unheard of in the supply chain sector in India. The measures adopted by the Company are unparalleled in the supply chain sector in India and a testament to its green credentials. Some highlights of Arshiya's green initiatives are available on the website of our company http://www. arshiyalimited.com/our-sustainability-initiatives.html

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company engages a Majority of the skilled and unskilled workforce from neighboring surrounding which is a little underdeveloped which helps them improve their standard of living.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Since Arshiya's business pertains to service industry and there are no manufacturing activities, so there is no generation of industrial waste. However, the Company has installed STP plant (Sewage treatment Plant).

Principle 3: Businesses should promote the wellbeing of all employees.

1. Please indicate the Total number of employees. - 55
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. 253
3. Please indicate the Number of permanent women employees. - 4
4. Please indicate the Number of permanent employees with disabilities - 0
5. Do you have an employee association that is recognized by management? - No
6. What percentage of your permanent employees is members of this recognized employee association? - NA
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

(a) Permanent Employees – 81.82%

(b) Permanent Women Employees – 0.75

(c) Casual/Temporary/Contractual Employees – 6.72%

(d) Employees with Disabilities – 25%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable, and marginalized.

1. Has the company mapped its internal and external stakeholders?

   Yes, running a sustainable business for us is about striking a balance between the expectations of our stakeholders with our Company goals. Clients, employees, investors, partners, academia and local communities want different things from us, and we are able to balance these through our sustainability strategy and robust engagement methodology.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   Yes. Our community engagement interventions include:

   - Organization-led projects
   - Employee-driven initiatives

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   Yes, all companies in the Arshiya Group, including employees and contractors, are covered by the policy.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   All the complaints received have been resolved by the Company during the past financial year.

   Additionally, all stakeholders have access to the Whistle Blower Policy of Arshiya Limited at www.arshiyalimited.com

Principle 6: Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others. Yes, being responsible citizen Arshiya priorities health & safety measures in place & http://www.arshiyalimited.com/assets/pdf/guidelines.pdf

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Our efforts included aggressive targets to reduce consumption and switch to renewable energy resources for our business operations. For more details, visit our website, www.arshiyalimited.com, and our sustainability microsite, http://www.arshiyalimited.com/our-sustainability-initiatives.html

3. Does the company identify and assess potential environmental risks?

   The business and operations of the company shall be conducted in an environmentally friendly manner. Code of Conduct of your Company also includes respecting the environment & sustainable development by eliminating waste and conserving resources as working norms.

   Your Company takes multiple initiatives to reduce its environmental impact, few of such initiatives are given below:

   - Arshiya uses Use of cloud based virtual servers to increase energy efficiency and data security.
   - 22% of plot area of its facility is covered under green zone and the total open area of FTWZ plots is 37%, ensuring compliance with green design norms

- rainwater is harvested, water recycled, and waste disposal units are used.
- Using digital platform for circulating documents for Board meetings, and meetings with senior management thereby saving paper usage to a substantial extent.
- Digital learning initiatives – more than 50% of overall learning initiatives for employees are conducted digitally.
- Arshiya's FTWZs, warehouses, internal container depots, yards, and other facilities are compliant with relevant pollution and environmental norms
- Our transport fleet comprises battery-operated vehicles which greatly reduces the carbon footprint and environmental pollution For more details please visit http://www.arshiyalimited.com/assets/pdf/guidelines.pdf

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   Not Applicable

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Yes, we are committed to clean technology initiatives. Please refer to our website http://www.arshiyalimited.com/our-sustainability-initiatives.html

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   None.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   Your Company is a member of the following Chambers & Associations. and keenly participates in putting forward its views on the setting of new industry standards or regulatory developments pertaining to the SEZ sector.

   a) Export Promotion Council for EOUs & SEZs (EPCES)
   b) Federation of Indian Export Organizations (FIEO).
   c) Indo German Chambers of commerce
   d) Indo American Chambers of commerce
   e) India China Chambers of Commerce & Industry
   f) Indo Japan Chamber of commerce
   g) Confederation of Indian Industry- CII

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   As per SEZ Rules, membership of Export Promotion Council for EOUs & SEZs (EPCES) is mandatory to obtain duty benefits. This council is vocal and active in taking up all the operational, statutory and advisory matters with he concerned ministries / authorities. Similarly, other Associations also take up matters periodically including Economic Reforms, timely amendments in polices and regulations, Market studies etc with government agencies.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Our sustainability report carries a broad picture of our inclusion impacts. More information on the same is available on http://www.arshiyalimited.com/assets/pdf/guidelines.pdf

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The Company manages everything in-house.

3. Have you done any impact assessment of your initiative?

   The Company is in process of doing the same.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   The initiatives taken by the company are available on the http://www.arshiyafoundation.org/

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   The details of the initiative are available on http://www.arshiyafoundation.org/

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   Nil

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

   N.A. as the Company belongs to service industry

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No

4. Did your company carry out any consumer survey/ consumer satisfaction trends:

   The Clients are given relationship manager and their requirements are being well taken care of by them.

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STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of Arshiya Limited

Report on the Audit of Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying Standalone Financial Statements of **Arshiya Limited ('the Company')**, which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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 including Ind AS specified under Section 133 of the Act, of the financial position of the Company as at 31st March 2021, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

2. *As mentioned in the Note No. 43 to the Financial Statement, the Company has provided penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%. Interest provisions in earlier period / years were accounted based on the confirmations received from EARC. It has resulted in the short provision of interest amounting to ₹ 2198.74 Lakh till the year ended 31st March 2020 and for the year ended 31st March 2021 amounting to ₹ 1301.46 Lakh, which is not in compliance with Ind AS-23 "Borrowing Cost" read with Ind AS-109 "Financial Instruments". In aggregate interest provisions are lower by ₹ 3500.20 Lakh till 31st March 2021. Had interest been recognised at its documented rate, finance cost for the year ended 31st March 2021 and earlier years would have been higher and net profit after tax for the year and total comprehensive income would have been lower by equivalent amount, having consequential impact on other equity.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Material uncertainty related to going concern:-

We draw attention to the Note no. 47 of the Financial Statements, the Company is unable to pay it's dues to operational and financial creditors, the Company has defaulted in repayment of dues to lenders and started recovery proceeding, the Company has given guarantees for loan taken by the subsidiaries out of which guarantees are invoked by two lenders, some of the lenders have even called back their loans, current liabilities exceeded its current assets of the Company, lenders have applied before NCLT under Insolvency and Bankruptcy Code, 2016, and the Company have accumulated losses as at 31st March 2021. These matters including other matters as set out in the notes indicate that a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern. The management's plans as a developer of the business indicate that monetization will happen periodically, and staggered but significant payments will be received to streamline the cash flows. These along with other developments in the sector are detailed in the notes. The said assumption of going concern is dependent upon Company's plan to monetize its assets in timely manner and generate cash flows to meet its obligations. Our opinion is not modified in respect of the said matter.

4. Emphasis of Matters

4.1 We draw attention to the Note no. 51 to the Financial Statements, regarding invocation of corporate guarantee by the Company to lenders of Arshiya Northern FTWZ Limited (ANFTWZ). The Company carried out the fair valuation of above guarantee through an independent Chartered Accountants firm and as per their report the value of assets in favor of lenders of ANFTWZ is higher than the total liabilities to them. Accordingly, no provision against the claims under the invoked corporate guarantee is considered necessary by the management.

4.2 We draw attention to the Note no. 57 (b) to the Financial Statements, regarding Company's non-current investment in Arshiya Northern FTWZ Limited (ANFTWZ) and its loans dues amounting to ₹ 45,322.25 Lakh and ₹ 14,688.48 Lakh, respectively. The operations of ANFTWZ are dependent on business plans and various steps taken by the management. Based on this and other factors stated in aforesaid note, management has considered that no adjustment, at this stage, are required to be made to the carrying value of investment and receivables as at 31st March, 2021.

4.3 We draw attention to the note no. 41 and 42 of the Financial Statements, pending execution of restructuring agreement for assignment of its debt to Edelweiss Asset Reconstruction Company (EARC), the Company has continued to provide normal interest for the year ended 31st March, 2021 in line with major terms negotiated with EARC in case of other agreements. In view of the management, no penal interest needs to be provided for the above said debt presently.

4.4 We draw attention to the Note No. 75 during the course of preparation of standalone financial statements for the year ended 31st March 2021, e-mails have been sent to lenders by the Company with a request to confirm their balances directly to us. As at 31st March 2021, direct balance confirmations of total borrowings including interest accrued (including current maturities and current borrowings), aggregating to ₹ 118269.24 Lakh have not been received. Out of these, the Company has received statements / confirmations amounting to ₹ 101115.89 Lakh which have been provided to us. The management is confident and is of view that there will not be any material variation in its liabilities.

Our opinion is not modified in respect of the said matters.

5. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year ended 31st March 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion and Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How Our Audit Addressed The Key Audit matter
1.	**Litigations matters and contingent liabilities**	
	The Company is subject to number of significant litigations. In such litigation matters 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. The financial implication of such claims will be disclosed and recognized as and when finality in the matter is reached. The amounts of litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment. [Refer note no. 40 and 48]. Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined and it has been considered as a key audit matter.	Our audit procedures included the following • Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to. • Discussion with the management on the development in theses litigations during the year ended 31st March, 2021. • Obtaining an understanding of the risk analysis performed by the Company, with the relating supporting documentation. • Verification that the accounting and / or disclosures as the case may be in the standalone financial statements is in accordance with the assessment of management. • Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.

6. Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises in the Annual Report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

7. Responsibilities of Management and those charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the year ended 31st March 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

2. Further to our comment in the Annexure A, as required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. *Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above,* in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

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

   e. On the basis of the written representations received from the directors of the Company as on 31st March, 2021 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;

   f. The matters described in paragraphs above in 3 under the Material Uncertainty Related to Going Concern, in our opinion, may have an adverse effect on the functioning of the Company;

   g. With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**;

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

i. In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year hence the provisions of section 197 of the Act is not applicable;

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

   i. The Company, as detailed in Note no. 40 and 48 to the financial statements have disclosed the impact of pending litigations on its financial position.

   ii. The Company does not have any long term contracts including derivative contracts and hence there are no material foreseeable losses.

   iii. There has been no delay in transferring amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah LLP
Chartered Accountants
Registration No. 101720W/ W100355

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 21109859AAAACZ3105

Place: Mumbai
Date: 30th June, 2021

"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Limited on the standalone financial statements for the year ended 31st March 2021)

(i) In respect of property, plant and equipment :-

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

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

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

(ii) The Company is engaged in the business and development of Free Trade and Warehousing Zone (FTWZ) and Domestic Warehousing and the Company has inventory represented by freehold land for the business purpose. In our opinion, management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on the aforesaid verification.

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

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

(b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/ receipts are regular, as applicable. This loan has fallen due during the year, has been extended.

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

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

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

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

(vii) (a) According to the records of the company and information and explanations given to us, the Company has generally been regular except slight delays in few cases, in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess and any other statutory dues to the appropriate authorities as applicable during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable except Tax deducted at Source to ₹ 1,009.20 Lakh and interest on tax deducted at source amounting to ₹ 908.61 Lakh.

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

(₹ In Lakh)

Name of the Statute	Nature of Dues	Amount Disputed (Net of TDS and Advance tax Paid)	Period to which Dispute Relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax	8,444.43	Assessment year 2009-2010 to 2016-2017	Income Tax Appellate Tribunal & Bombay High Court
Service Tax Act, 1994	Service Tax	62.68	Financial Year 2013-2014	Central Excise and Service Tax Appellate Tribunal (CESTAT)
	Total	**8,507.11**		

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

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

(₹ In Lakh)

Particulars	Amount of continuing default as on 31st March, 2021*		Period of Default
	Principal	Interest	
Edelweiss Asset Reconstruction Company Limited – various trust	5,671.09	22,542.59	Financial year 2017-2018, 2018-2019, 2019-20 and 2020-21
Edelweiss Asset Reconstruction Company Limited-SC 162	3,433.00	-	Financial year 2018-2019, 2019-20 and 2020-21
Edelweiss Asset Reconstruction Company Limited (Short term priority loans)	8,474.05	1,722.93	Financial year 2018-2019, 2019-20 and 2020-21
Axis Bank	1,463.41	664.25	Financial year 2017-2018, 2018-19, 2019-20 and 2020-21
SREI Equipment finance Ltd.	545.11	135.13	Financial year 2018-2019, 2019-20 and 2020-21
IDFC FIRST Bank Ltd.	3,674.30	1,668.68	Financial year 2018-2019, 2019-20 and 2020-21
ECL Finance Limited	2,100.00	911.61	Financial Year 2018-19, 2019-20 and 2020-21
Total	**25,360.96**	**27,645.19**	

**The above does not include borrowing assigned by lenders to Edelweiss Asset Reconstruction Company Limited pending restructuring agreement.*

(ix) According to the information and explanations given to us, during the year, the Company did not raise any moneys by way of term loans, initial public offer and further public offer (including debt instruments).

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

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

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

(xiv) The Company has made preferential allotment of equity shares during the year and the requirement of Section 42 of the Companies Act, 2013 have been complied with. These allotments were made against conversion of optionally convertible redeemable preference shares.

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

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

For Chaturvedi & Shah LLP
Chartered Accountants
Registration No. 101720W/ W100355

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 21109859AAAACZ3105

Place: Mumbai
Date: 30th June, 2021

"Annexure B" to the Independent Auditor's Report

Referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Limited on the standalone financial statements for the year ended 31st March 2021.

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 with reference to financial statements of Arshiya Limited ("the Company") as of 31st March, 2021 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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 standalone 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 control with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

Based on our audit and information & explanations provided by the management, the material weaknesses have been identified in the Company's internal financial controls with reference to standalone financial statements as at 31st March, 2021 with regard to providing penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%

Qualified Opinion

In our opinion and to the best of information and according to explanations given to us, the Company has maintained adequate internal financial controls with reference to financial statements as at 31st March, 2021 based on the internal control with reference to financial statements 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 and except for possible effects of the material weakness described in the Basis of Qualified Opinion paragraph above on the achievement of the objectives of the Control criteria, the Company's internal financial control with reference to financial statements were operating effectively as at 31st March, 2021.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of standalone financial statements of the Company for the year ended 31st March, 2021, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For Chaturvedi & Shah LLP
Chartered Accountants
Registration No. 101720W/ W100355

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 21109859AAAACZ3105

Place: Mumbai
Date: 30th June 2021

Balance Sheet as at 31st March, 2021

(₹ in Lakh)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5 (a)	69,644.85	71,001.14
(b) Right of use assets	5 (b)	168.07	164.41
(c) Intangible Assets	6	308.79	525.93
(d) Intangible Assets Under Development		60.00	60.00
(e) Financial Assets			
(i) Investments	7	50,157.19	50,149.73
(ii) Loans	8	2,173.47	1,940.60
(iii) Trade Receivables	9	-	7,006.05
(f) Other Non-Current Assets	10	438.85	682.33
		122,951.22	**131,530.19**
Current assets			
(a) Inventories	11	12,537.34	12,537.34
(b) Financial Assets			
(i) Trade Receivables	12	24,773.53	15,961.93
(ii) Cash and Cash Equivalents	13	38.04	9.67
(iii) Bank Balances Other than (ii) above	14	15.03	16.15
(iv) Loans	15	20,469.30	17,455.78
(v) Other Financial Assets	16	4,030.88	3,647.85
(c) Other Current Assets	17	2,245.45	1,966.54
		64,109.57	**51,595.26**
(d) Assets classified as held for sale	18	1,145.89	1,145.89
Total Assets		**188,206.68**	**184,271.34**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	19	5,245.52	5,161.52
(b) Other Equity	20	55,425.37	65,175.74
		60,670.89	**70,337.26**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	40,378.55	54,419.60
(ii) Lease Liabilities	22	130.74	77.02
(iii) Other Financial Liabilities	23	422.99	874.93
(b) Provisions	24	69.87	90.56
		41,002.15	**55,462.11**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	9,384.56	9,348.38
(ii) Trade Payables	26		
Micro and Small Enterprises		148.64	188.37
Others		779.01	814.19
(iii) Lease Liabilities	27	46.80	97.91
(iv) Other Financial Liabilities	28	71,135.76	44,418.04
(b) Other Current Liabilities	29	5,033.76	3,580.39
(c) Provisions	30	5.11	7.14
		86,533.64	**58,454.42**
(d) Liabilities associated with assets classified as held for sale	31	-	17.55
Total Equity and Liabilities		**188,206.68**	**184,271.34**
Notes to the financial statements	1 to 79		

As per our report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th June, 2021

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

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	Notes	Year Ended 31st March, 2021	Year Ended 31st March, 2020
INCOME			
Revenue from operations	32	6,720.59	23,868.15
Other income	33	1,833.15	1,229.28
Total Income (I)		**8,553.74**	**25,097.43**
EXPENSES			
Cost of Inventories (Lease Land)	34	-	5,775.28
Employee benefits expenses	35	961.13	1,272.91
Finance costs	36	14,812.38	13,122.32
Depreciation and amortization expenses	37	1,289.67	1,571.09
Other expenses	38	1,518.59	745.76
Total Expenses (II)		**18,581.77**	**22,487.36**
Profit/(loss) before exceptional items and tax (I-II)		**(10,028.03)**	**2,610.07**
Exceptional Items	39	-	108,062.25
Profit/(loss) before tax		**(10,028.03)**	**(105,452.18)**
Tax expense:	65		
Current tax		-	-
Tax relating to earlier periods		-	1,102.96
Deferred tax		-	-
Profit/(loss) for the year		**(10,028.03)**	**(106,555.14)**
OTHER COMPREHENSIVE INCOME			
Item not to be reclassified to profit and loss:			
Remeasurement of gains/(losses) on defined benefit plans		1.93	26.35
Other Comprehensive income for the year		**1.93**	**26.35**
Total Comprehensive Income for the year		**(10,026.10)**	**(106,528.79)**
Earning per equity share (face value of ₹ 2 each)	64		
Basic and Diluted (in ₹)		(3.88)	(43.13)

Notes to the financial statements 1 to 79

As per our report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th June, 2021

For and on behalf of the Board of Directors of
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DIN: 00226355

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Joint Managing Director
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Chief Financial Officer

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VP - Commercial

Ratika Gandhi
Company Secretary

Statement of changes in Equity for the Year Ended 31st March, 2021

A. Equity Share Capital (Refer Note No. 19)

Particulars	₹ in Lakh
Equity Shares of ₹ 2 each issued, subscribed and paid up	
As at 1st April, 2019	**4,872.29**
Issue of Equity Shares	289.23
As at 31st March, 2020	**5,161.52**
Issue of Equity Shares	84.00
As at 31st March, 2021	**5,245.52**

B. Other Equity (Refer Note No. 20)

(₹ in Lakh)

Particulars	Other Reserves			Reserve and Surplus				Total
	0% Unsecured Compulsorily Convertible Debentures	Equity Component of Compunded Financial Instruments	Amalgamation Reserve	Securities Premium Account	Employee Stock Options Reserve	General Reserve	Retained Earnings	
Balances as on 1st April, 2019	**-**	**-**	**124.80**	**233,072.16**	**-**	**940.18**	**(67,493.86)**	**166,643.28**
Profit/(loss) for the year	-	-	-	-	-	-	(106,555.14)	(106,555.14)
Other comprehensive income	-	-	-	-	-	-	26.35	26.35
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(106,528.79)**	**(106,528.79)**
Fair valuation of OCRPS	-	690.91	-	-	-	-	-	690.91
issue of CCDs	4,557.72	-	-	-	-	-	-	4,557.72
On issue of equity shares	(4,557.72)	-	-	4,338.48	-	-	-	(219.24)
Share based payment	-	-	-	-	45.01	-	-	45.01
Transaction costs on issue of equity shares		-	-	(13.13)	-	-	-	(13.13)
Balances as at 31st March, 2020	**-**	**690.91**	**124.80**	**237,397.51**	**45.01**	**940.18**	**(174,022.65)**	**65,175.74**
Profit/(loss) for the year	-	-	-	-	-	-	(10,028.03)	(10,028.03)
Other comprehensive income	-	-	-	-	-	-	1.93	1.93
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(10,026.10)**	**(10,026.10)**
Share based payment	-	-	-	-	216.62	-	-	216.62
On issue of equity shares	-	(690.91)	-	1,011.63	(261.63)	-	-	59.09
Balances as at 31st March, 2021	**-**	**-**	**124.80**	**238,409.14**	**-**	**940.18**	**(184,048.75)**	**55,425.37**

Notes to the financial statements 1 to 79

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th June, 2021

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

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Cash Flow Statement for the year ended 31st March, 2021

(₹ in Lakh)

Particulars		Year Ended 31st March, 2021	Year Ended 31st March, 2020
Cash flow from operating activities			
Profit/(Loss) before tax		(10,028.03)	(105,452.18)
Adjustments for			
Sundry balances written off/ back (net)		989.81	(25.49)
Discarding/written off of Capital Work in progress, Property, plant and equipment and Intangible assets		-	26.50
Profit on disposal of Property, plant and equipment (net)		(0.17)	(0.38)
Bad debts		-	34.85
Written back / Allowance for doubtful debts		6.92	(23.49)
Exceptional Items (net)		-	108,062.25
Depreciation and amortization expense		1,289.67	1,571.09
Finance costs		14,812.38	13,122.32
Unwinding interest income on loan to subsidiaries		(232.87)	(208.46)
Interest income on fixed deposits		(1.02)	(1.09)
Interest income on others		(2.72)	(152.79)
Interest income on tax refund		(30.96)	(180.59)
Gain on derecognised of Liability Component of Compound Financial Instruments (OCRPS)		(16.13)	-
Financial guarantees income		(554.42)	(616.36)
Gain on derecognised of Financial guarantee income		(18.97)	(10.97)
Gain on disposal of investment in subsidiary		-	(5.00)
Gain on Lease modification		(4.66)	(2.51)
Provision for impairment of loan to subsidiary written back		(738.30)	-
Share base payment		107.67	23.15
Foreign exchange difference (net)		(3.67)	41.20
Operating profit before working capital changes		**5,574.53**	**16,202.05**
Adjustments for			
Change in Inventories		-	5,775.28
(Increase) in financial and other assets		(3,109.27)	(17,302.43)
Increase/(decrease) in financial and other liabilities		800.44	(4,763.58)
Cash generated from operations		**3,265.70**	**(88.68)**
Direct taxes paid (net of refunds)		265.53	693.69
Net cash flow from operating activities	(A)	**3,531.23**	**605.01**
Cash flow from investing activities			
Purchase of property, plant and equipments		(24.53)	(26.33)
Proceeds from sale of property, plant and equipment		0.51	0.70
Investment made in equity shares		(1.00)	(1.00)
Sale of Investment in subsidiaries		-	10.00
Loans given to subsidiaries (net)		(2,166.27)	1,904.84
Interest income on Loan to other		-	152.79
Interest income on fixed deposits		2.14	0.11
Net cash flow from investing activities	(B)	**(2,189.15)**	**2,041.11**

(₹ in Lakh)

Particulars		Year Ended 31st March, 2021	Year Ended 31st March, 2020
Cash flow from financing activities			
Issue of Equity shares		34.00	-
Share issue expenses		-	(13.13)
Repayment of non-current borrowings		(1.60)	(11.37)
Short-term borrowings (Net)		41.07	87.22
Lease liability paid		(36.11)	(122.94)
Interest paid		(1,351.07)	(2,582.09)
Net cash flow from financing activities	(C)	**(1,313.71)**	**(2,642.31)**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		**28.37**	**3.81**
Cash and cash equivalents at the beginning of the year		9.67	5.86
Cash and cash equivalents at the end of the year (Refer Note No. 13)		**38.04**	**9.67**

Change in liabilities arises from financing activities (₹ in Lakh)

Particulars	Long term Borrowings	Short term Borrowings
As at 1st April, 2020	76,898.91	9,348.38
Add: Transaction cost	219.31	-
Add: Non cash items	383.59	(4.89)
Add/Less: Cash flow (net)	(1.60)	41.07
As at 31st March, 2021	77,500.21	9,384.56

Notes:

1. Bracket indicates cash outflow.
2. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flow.
3. Classification of Land from Property, plant and equipment to inventories has been considered as non cash items (Refer note no.49)

Notes to the financial statements 1 to 79

As per our report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th June, 2021

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

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Notes to the financial statements for the year ended 31st March, 2021

1 Corporate Information

Arshiya Limited (the Company) is a unified supply chain and integrated logistics infrastructure solution provider and is engaged in the business of Free Trade and Warehousing Zone (FTWZ), Domestic Warehousing Zone, value added services and additional sector i.e. electronic hardware and software (inculding IT / ITES) along with development, operations and maintenance of FTWZ.

These statements comprises of financial statements of Arshiya limited (CIN : L93000MH1981PLC024747) for the year ended 31st March, 2021. The Company is a public company in India and is incorporated on 3rd July, 1981 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

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

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

The Financial statements of the Company for the year ended 31st March, 2021 were approved and adopted by the Board of Directors in their meeting held on 30th June, 2021.

2 Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs ("MCA") pursuant to the Section 133 of the Companies Act, 2013 ("the Act") read with of the Companies (Indian Accounting Standards) Rules 2015, (as amended) and other relevant provisions of the Act.

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

The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all values are rounded to the nearest lakh as per the requirement of schedule III of the Act, unless when otherwise indicated.

3 Significant Accounting Policies

3.1 Property, Plant and Equipment

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

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

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

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

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

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

Notes to the financial statements for the year ended 31st March, 2021

3.2 Intangible Assets

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

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

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

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

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

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

Intangible assets under development includes cost of computer software under installation / under development as at the balance sheet date.

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

3.3 Leases

The Company assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases). For these short term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using its incremental borrowing rate as the discount rate.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

ROU assets and Lease liability have been separately presented in the Balance Sheet note 5b, 22 & 27 respectively and lease payments have been classified as financing cash flows.

Notes to the financial statements for the year ended 31st March, 2021

3.4 Inventories

Inventories are measured at lower of cost and net realisable value. Inventory comprises of cost of land and incidental cost thereto.

3.5 Cash and cash equivalents

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

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

3.6 Impairment of assets

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

3.7 Financial instruments – initial recognition, subsequent measurement and impairment

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

Financial assets -Initial recognition and measurement

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

Financial assets - Subsequent measurement:

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

a) Financial assets at fair value

b) Financial assets at amortised cost

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

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

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

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

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

Notes to the financial statements for the year ended 31st March, 2021

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

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

Financial assets - Equity Investment in subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27 separate financial statements.

Transition to Ind AS

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

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

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

Financial assets - Derecognition

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

(a) The rights to receive cash flows from the asset have expired, or

(b) The Company has transferred its rights to receive cash flow from the asset.

Financial liabilities - Initial recognition and measurement:

The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Effective interest method

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

Financial liabilities - Subsequent measurement

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

Financial Liabilities - Financial guarantee contracts

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

Notes to the financial statements for the year ended 31st March, 2021

Financial Liabilities - Derecognition

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

Compound Instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

3.8 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

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

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

3.9 Dividend Distribution

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

3.10 Revenue recognition

Revenue is recognized upon transfer of control of goods or rendering of services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when the it becomes unconditional.

Lease income is recoginsed in the Statement of Profit and Loss on straight line basis over the lease terms, unless there is another systematic basis which is more representative of the time pattern of the lease.

Revenue are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Notes to the financial statements for the year ended 31st March, 2021

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

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

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

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

(iv) Revenue from lease of land is recognised as per contract terms agreed between the parties.

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

(vi) Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the payment of dividend.

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer of services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made Contract liabilities are recognised as revenue when the Company performs under the contract.

3.11 Foreign currency reinstatement and translation:

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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

3.12 Employee benefits

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

(a) Defined Contribution Plan

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

Notes to the financial statements for the year ended 31st March, 2021

(b) Defined Benefit Plan

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

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

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

3.13 Taxes on Income

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

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

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

3.14 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

3.15 Earnings per Share

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

Diluted earnings per share is computed using the net profit/(loss) for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year

Notes to the financial statements for the year ended 31st March, 2021

are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.16 Current and non-current classification

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

An asset is classified as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Expected to be realised within twelve months after the reporting period, or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

(a) Expected to be settled in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Due to be settled within twelve months after the reporting period, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

3.17 Fair value measurement

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

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

(a) In the principal market for the asset or liability, or

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

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

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

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

Notes to the financial statements for the year ended 31st March, 2021

3.18 Off-setting financial Instrument

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

3.19 Segment Reporting - Identification of Segments

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

3.20 Contributed Equity

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

3.21 Share Based Payment

Equity settled share based payments to employees providing services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity share based payments transactions are set out in Note 61.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.22 Cash flow statement

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

3.23 Business combinations

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

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.

(iii) Adjustments are only made to harmonise accounting policies.

(iv) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

(v) The balance of the Retained Earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.

Notes to the financial statements for the year ended 31st March, 2021

(vi) The identities of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

(vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to Capital Reserve and is presented separately from Other Capital Reserves.

3.24 Assets (or disposal group) held for sale and discontinued operations

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of de-recognition.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

4 Significant accounting judgements, estimates and assumptions

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

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

4.1 Property, plant and equipment and Intangible Assets

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

4.2 Income Tax

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

Notes to the financial statements for the year ended 31st March, 2021

4.3 Contingencies

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

4.4 Impairment of financial assets

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

4.5 Impairment of non-financial assets

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

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

4.6 Defined benefits plans

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

4.7 Recoverability of trade receivable

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

4.8 Provisions

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

4.9 Fair value measurement of financial instruments

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

Notes to the financial statements for the year ended 31st March, 2021

4.10 Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and / or require separate disclosure in accordance with Ind AS. The determination as to which items should be disclosed separately requires a degree of judgement. The details of exceptional items are set out in note 39.

4.11 Global health pandemic Covid-19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In assessing the recoverability of Company's assets such as financial asset and non-financial assets, the Company has considered internal and external information. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements and the Company expects to recover the carrying amount of all the assets.

4.a Recent Accounting pronouncements

Recent pronouncements on June 18, 2021, MCA through a notification has notified Companies (Indian Accounting Standards) Amendment Rules, 2021. The notification has made amendments to various Ind AS. Some of the key amendments are:

- Ind AS 116 – COVID-19-Related Rent Concessions
- Interest Rate Benchmark Reform – Phase 2
- Amendments to Ind AS consequential to Conceptual Framework under Ind AS

The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts; Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020. The revised Conceptual Framework introduced some new concepts and clarifications along with revision in definitions and changes in recognition criteria of assets and liabilities under Ind AS.

The Company does not expect the consequential amendments to have any significant impact in its financial statements.

Notes to the financial statements for the year ended 31st March, 2021

5 (a). Property, Plant and Equipment

(₹ in Lakh)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Equipments	Computers	Total
Gross Carrying Value								
As at 1st April, 2019	49,070.99	24,896.12	2,200.35	96.44	47.64	988.42	44.13	77,344.09
Additions	-	-	-	-	11.34	84.35	2.22	97.91
Disposals	-	-	-	-	(2.81)	-	-	(2.81)
Transfer to Inventories	(1,806.65)	-	-	-	-	-	-	(1,806.65)
As at 31st March, 2020	**47,264.34**	**24,896.12**	**2,200.35**	**96.44**	**56.17**	**1,072.77**	**46.35**	**75,632.54**
Additions	-	-	2.75	-	11.26	1.32	9.20	24.53
Disposals/Discarded	-	(279.27)	-	-	(2.20)	(511.33)	-	(792.80)
As at 31st March, 2021	**47,264.34**	**24,616.85**	**2,203.10**	**96.44**	**65.23**	**562.76**	**55.55**	**74,864.27**
Accumulated Depreciation								
As at 1st April, 2019	-	2,258.30	627.71	49.88	25.76	512.89	11.19	3,485.73
Depreciation for the year	-	752.48	210.23	17.40	5.13	156.28	6.63	1,148.15
Disposals	-	-	-	-	(2.48)	-	-	(2.48)
As at 31st March, 2020	**-**	**3,010.78**	**837.94**	**67.28**	**28.41**	**669.17**	**17.82**	**4,631.40**
Depreciation for the year	-	660.20	210.26	11.80	5.35	150.55	7.49	1,045.65
Disposals/Discarded	-	(23.44)	-	-	(1.86)	(432.33)	-	(457.63)
As at 31st March, 2021	**-**	**3,647.54**	**1,048.20**	**79.08**	**31.90**	**387.39**	**25.31**	**5,219.42**
Net Carrying value as at 31st March, 2021	**47,264.34**	**20,969.31**	**1,154.90**	**17.36**	**33.33**	**175.37**	**30.24**	**69,644.85**
Net Carrying value as at 31st March, 2020	**47,264.34**	**21,885.34**	**1,362.41**	**29.16**	**27.76**	**403.60**	**28.53**	**71,001.14**

Notes:

1) Freehold Land includes ₹ 9,735.11 Lakh (~108 Acres) situated at Nagpur, which is under possession of a lender as per the Order of Hon'ble High Court of Bombay dated 9th May, 2013.
2) Freehold Land measuring 42.59 Acres amounting to ₹ 7,499.35 Lakh is used for Domestic warehousing facilities located at Khurja, Bulandshahr, Uttar Pradesh.
3) Freehold Land measuring Nil Acres (31st March, 2020 - 4.42 Acres) amounting to ₹ Nil (31st March 2020 - ₹ 1,806.65 Lakh) are converted into inventories.
4) Gross carrying value includes cost of vehicles taken on finance lease ₹13.96 Lakh.
5) In accordance with the Indian Accounting Standard (IND AS -36) on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2021.
6) For details of securities charged on above property, plant and equipment, refer note no. 21, 25 and 28.

Notes to the financial statements for the year ended 31st March, 2021

5 (b). Right of Use Assets

(₹ in Lakh)

Particulars	Building	Plant and Machinery	Furniture and Fixtures	Total
Gross Carrying Value				
As at 1st April, 2019	212.38	120.00	-	332.38
Addititon	-	-	-	-
Modification during the year	(86.72)	-	-	(86.72)
As at 31st March, 2020	**125.66**	**120.00**	**-**	**245.66**
Addititon	-	-	100.25	100.25
Modification during the year	(125.66)	-	-	(125.66)
As at 31st March, 2021	**-**	**120.00**	**100.25**	**220.25**
Accumulated Depreciation				
As at 1st April, 2019	-	-	-	-
Depreciation for the year	77.71	25.30	-	103.01
Modification during the year	(21.76)	-	-	(21.76)
As at 31st March, 2020	**55.95**	**25.30**	**-**	**81.25**
Depreciation for the year	-	25.23	1.65	26.88
Modification during the year	(55.95)	-	-	(55.95)
As at 31st March, 2021	**-**	**50.53**	**1.65**	**52.18**
Net Carrying value as at 31st March, 2021	**-**	**69.47**	**98.60**	**168.07**
Net Carrying value as at 31st March, 2020	**69.71**	**94.70**	**-**	**164.41**

Notes to the financial statements for the year ended 31st March, 2021

6. Intangible Assets

(₹ in Lakh)

Particulars	Trade Mark	Software	Total
Gross Carrying Value			
As at 1st April, 2019	0.49	1,591.20	1,591.69
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2020	**0.49**	**1,591.20**	**1,591.69**
Additions	-	-	-
Disposals/Discarded	-	-	-
As at 31st March, 2021	**0.49**	**1,591.20**	**1,591.69**
Accumulated Amortisation			
As at 1st April, 2019	0.37	745.46	745.83
Amortisation for the year	0.12	319.81	319.93
Deductions	-	-	-
As at 31st March, 2020	**0.49**	**1,065.27**	**1,065.76**
Amortisation for the year	-	217.14	217.14
Deductions	-	-	-
As at 31st March, 2021	**0.49**	**1,282.41**	**1,282.90**
Net Carrying value as at 31st March, 2021	**-**	**308.79**	**308.79**
Net Carrying value as at 31st March, 2020	**-**	**525.93**	**525.93**

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh
Non-Current Financial Assets				
7. Investments				
(Unquoted Investments carried at Cost)				
(i) Investments in Equity Instruments of Subsidiaries				
Arshiya Northern FTWZ Limited (the face value of ₹ 10 each) @	10,868,677	44,625.29	10,868,677	44,625.29
Arshiya Rail Infrastructure Limited (the face value of ₹ 10 each) @	59,671,569	82,873.93	59,671,569	82,873.93
Arshiya Technologies (India) Private Limited (the face value of ₹ 10 each)	101,158	2.00	101,158	2.00
Arshiya Lifestyle Limited (the face value of ₹ 10 each)	1,485,000	14.85	1,485,000	14.85
Arshiya Logistics Services Limited (the face value ₹ 10 each)	1,600,000	155.50	1,600,000	155.50
Arshiya Infrastructure Developers Private Limited (the face value ₹ 10 each)	10,000	1.00	10,000	1.00
Unrivalled Infrastructure Private Limited (the face value ₹ 10 each)	10,000	1.00	10,000	1.00

Notes to the financial statements for the year ended 31st March, 2021

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh
Arshiya Data Center Private Limited (the face value ₹ 10 each)	10,000	1.00	10,000	1.00
AMD Business Support Services Private Limited (the face value ₹ 10 each)	10,000	1.00	-	-
		127,675.57		**127,674.57**
Less:- Provision for impairment in the value of Investment (Refer Note No.57 (a))		(82,873.93)		(82,873.93)
Total (i)		**44,801.64**		**44,800.64**
(All the above equity shares are fully paid up)				
(ii) Deemed Equity Investments				
Investments at amortised cost				
Arshiya Northern FTWZ Limited		696.96		696.96
Arshiya Rail Infrastructure Limited		3,214.70		3,214.70
Arshiya Lifestyle Limited		2,009.18		2,002.72
Arshiya Data Centre Private Limited		2,649.41		2,649.41
		8,570.25		**8,563.79**
Less:- Provision for impairment in the value of Deemed Investment (Refer Note No.57 (a))		(3,214.70)		(3,214.70)
Total (ii)		**5,355.55**		**5,349.09**
Total (i+ii)		**50,157.19**		**50,149.73**

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

i) 31st March, 2021 - 70,59,038 (31st March 2020 - 70,59,038) equity shares in Arshiya Northern FTWZ Limited,

ii) 31st March, 2021 - 2,05,84,269 (31st March, 2020 - 2,05,84,269) equity shares in Arshiya Rail Infrastructure Limited

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non- Current Financial Assets		
8. Loans		
Unsecured, considered good unless otherwise stated		
Loans to Subsidiaries (Refer Note No. 62)	2,173.47	1,940.60
Total	**2,173.47**	**1,940.60**
9. Trade Receivables		
Unsecured		
Considered good (Receivables from Related party (Refer Note No. 62))	-	7,006.05
Total	**-**	**7,006.05**

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-Current Assets		
10. Other Non- Current Assets		
Capital Advances		
Considered good	-	-
Considered doubtful	-	1,395.00
	-	**1,395.00**
Less: Provision for impairment	-	(1,395.00)
	-	**-**
Security Deposits	48.94	57.85
TDS Receivables/Taxes paid	389.91	624.48
Total	**438.85**	**682.33**
Current Assets		
11. Inventories		
Land	12,537.34	12,537.34
Total	**12,537.34**	**12,537.34**
Current Financial Assets		
12. Trade Receivables		
Considered good - Unsecured (Receivables from Related party (Refer Note No. 62))	24,773.53	15,961.93
Trade Receivables which have significant increase in credit risk	8.80	1.88
	24,782.33	**15,963.81**
Less: Provision for expected credit losses	(8.80)	(1.88)
Total	**24,773.53**	**15,961.93**
13. Cash and Cash Equivalents		
Balances with banks:		
- in current accounts #	37.94	8.55
Cash on hand	0.10	1.12
Total	**38.04**	**9.67**

Cash and cash equivalents as at 31st March, 2021 comprises of restricted bank balances held in escrow account with bank amounting to ₹ 33.86 Lakh (31st March, 2020 - ₹ 4.50 Lakh). This account can only be operated with the specific permission / instruction in terms of the Escrow Agreement.

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars		As at 31st March, 2021	As at 31st March, 2020
14.	**Other Bank Balances**		
	Deposits with bank to the extent held as security against guarantee	15.03	16.15
	Total	**15.03**	**16.15**
15.	**Loans**		
	Unsecured, considered good unless otherwise stated		
	Loans to Subsidiaries (Refer Note No. 62)	20,469.30	17,455.78
	Loans to Subsidiary - credit impaired	14,373.51	15,111.81
		34,842.81	**32,567.59**
	Less: Impairment allowance for loan (Refer Note No.57 (a))	(14,373.51)	(15,111.81)
	Total	**20,469.30**	**17,455.78**
16.	**Other Financial Assets**		
	Unbilled Revenue	3,676.94	2,536.71
	Other recoverables	353.94	1,111.14
	Total	**4,030.88**	**3,647.85**

(₹ in Lakh)

Particulars		As at 31st March, 2021	As at 31st March, 2020
17.	**Other Current Assets**		
	Advances to Suppliers	247.30	13.84
	Advances to Staffs	59.70	0.69
	Prepaid expenses	21.90	26.26
	Balances with Statutory, Government Authorities	39.90	49.10
	VAT Refund receivables (Refer Note No 54)	1,876.65	1,876.65
	Total	**2,245.45**	**1,966.54**
18.	**Assets classified as held for sale (Refer Note No.58)**		
(i)	**Investments in Equity Instruments of Subsidiaries**		
	Anomalous Infra Private Limited (1,10,000 Equity Shares face value of ₹ 10 each) @	11.00	11.00
	Arshiya Northern Projects Private Limited (50,000 Equity Shares face value ₹ 10 each)	5.00	5.00
(ii)	**Deemed Equity Investments**		
	Investments at amortised cost		
	Anomalous Infra Private Limited	1,129.89	1,129.89
	Total	**1,145.89**	**1,145.89**

@ The Comapny has pledged 1,09,900 (31st March 2020 - 1,09,900) equity shares of Anomalous Infra Private Limited (AIPL) to secured debt availed by AIPL.

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
19. Equity Share Capital		
Authorised		
(i) 28,75,00,000 (31st March, 2020 - 28,75,00,000) Equity Shares of ₹ 2 each	5,750.00	5,750.00
(ii) 30,00,000 (31st March, 2020 - 30,00,000) 0% Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each	300.00	300.00
Total	**6,050.00**	**6,050.00**
Equity Share Capital - issued, subscribed and fully paid		
26,22,75,915 (31st March, 2020 - 25,80,75,915) Equity shares of ₹ 2 each	5,245.52	5,161.52
Total	**5,245.52**	**5,161.52**

(a) Terms and rights

(i) Terms and rights attached to equity shares

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

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

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

The Company has 0% optionally convertible redeemable preference shares having a par value of ₹ 10 per share. Each holder of OCRPS has right / entitled to convert into equity shares within 18 months from the date of issue or redemption from the end of 19th year to 23rd years as per terms.

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

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of Shares	₹ in Lakh	Number of Shares	₹ in Lakh
Balance as at the beginning of the year	258,075,915	5,161.52	243,614,292	4,872.29
Add: Issued during the year	4,200,000	84.00	14,461,623	289.23
Balance as at the end of the year	**262,275,915**	**5,245.52**	**258,075,915**	**5,161.52**

Notes to the financial statements for the year ended 31st March, 2021

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of Shares	₹ in Lakh	Number of Shares	₹ in Lakh
Balance as at the beginning of the year	80,000	8.00	-	-
Add: Issued during the year	-	-	80,000	8.00
Less: Converted into equity shares during the year	(80,000)	(8.00)	-	-
Balance as at the end of the year	**-**	**-**	**80,000**	**8.00**

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

(i) 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 2021		As at 31st March 2020	
	Number of equity shares	Percentage (%) shareholding	Number of equity shares	Percentage (%) shareholding
Archana A Mittal	86,059,788	32.81%	88,559,788	34.32%
Ajay S Mittal	38,356,437	14.62%	38,356,437	14.86%
Edelweiss Asset Reconstruction Company Limited (through various EARC trusts)	62,059,820	23.66%	59,559,820	23.08%

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

Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	Number of OCRPS	Percentage (%) shareholding	Number of OCRPS	Percentage (%) shareholding
Edelweiss Asset Reconstruction Company Limited (EARC Trust SC 334)	-	-	80,000	100%

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
20. Other Equity		
(i) 0% Unsecured Compulsorily Convertible Debentures (CCDs)		
Balances as at the beginning of the year	-	-
Add: issue of CCDs	-	4,557.72
Less: On issue of Equity Shares	-	(4,557.72)
Balances as at the end of the year	**-**	**-**

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(ii) Equity Component of Compunded Financial Instruments		
Balances as at the beginning of the year	690.91	-
Add: Fair valuation of OCRPS	-	690.91
Less: On issue of Equity Shares	(690.91)	-
Balances as at the end of the year	-	690.91
(iii) Amalgamation Reserve		
Balances as at the beginning and end of the year	124.80	124.80
Reserve and Surplus		
(iv) Securities Premium Account		
Balances as at the beginning of the year	237,397.51	233,072.16
Add: On issue of Equity Shares	1,011.63	4,338.48
Less: Share issue expenses	-	(13.13)
Balances as at the end of the year	**238,409.14**	**237,397.51**
(v) Employee Stock Options Reserve (Refer Note No. 61)		
Balances as at the beginning of the year	45.01	-
Add: Share based payment	216.62	45.01
Less: On issue of Equity Shares	(261.63)	-
Balances as at the end of the year	**-**	**45.01**
(vi) General Reserve		
Balances as at the beginning and end of the year	940.18	940.18
(vii) Deficit in the Statement of Profit and Loss		
Balances as at the beginning of the year	(174,022.65)	(67,493.86)
Add: Profit/(Loss) for the year	(10,028.03)	(106,555.14)
Add: Other comprehensive income	1.93	26.35
Balances as at the end of the year	**(184,048.75)**	**(174,022.65)**
Total (i to vii)	**55,425.37**	**65,175.74**

Nature and purpose of Reserve and Surplus:

(a) 0% Unsecured Compulsorily Convertible Debentures (CCDs):

(i) Terms and rights

The Company has issued zero coupan rate (0%) unsecured Compulsorily Convertible Debenturs (CCDs) having a par value of ₹ 1,000 per debenture. The CCDs has been converted into such proportionate number of equity shares of the Company on or before 30th January, 2020 from the date of allotement of CCDs.

Notes to the financial statements for the year ended 31st March, 2021

(ii) Reconciliation of compulsorily convertible debentures outstanding as at the beginning and end of the year

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of Debentures	₹ in Lakh	Number of Debentures	₹ in Lakh
Balance as at the beginning of the year	-	-	-	-
Add: Issued during the year	-	-	455,772	4,557.72
Less: Converted into equity shares during the year	-	-	(455,772)	(4,557.72)
Balance as at the end of the year	-	-	-	-

(b) Securities Premium Account:

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

(c) General Reserve:

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

(d) Amalgamation Reserve:

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

(e) Employee Stock Options Reserve:

Employee stock reserve is created on account of Employee Stock Option granted to the employees.

(f) Retained Earning:

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

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-Current Liabilities		
21. Borrowings		
Secured		
(a) Term Loans		
From Banks	224.36	301.29
From Other Parties	40,149.17	53,996.61
(b) Vehicles Loan from bank	5.02	7.29
Liability Component of Compound Financial Instruments (OCRPS)	-	114.41
Total	**40,378.55**	**54,419.60**

Notes to the financial statements for the year ended 31st March, 2021

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

21.1 Rupee Term loan from Banks

(1) Rupee loan of ₹ 474.30 Lakh (31st March, 2020 - ₹ 474.30 Lakh)

(a) Securities provided

(i) Second charge on movable and immovable Panvel assets of the Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Company.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(b) Terms of Interest rate

Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in 78 equal monthly installment commencing from the date of first disbursement i.e. 31st August, 2018.

(d) The Company has been in default for the repayment of principal amount of ₹ 173.02 Lakh (31st March, 2020 - ₹ 96.09 Lakh).

21.2 Rupee Term loans from Other Parties

(1) Rupee term loan of ₹ 59,821.72 Lakh (31st March, 2020 - ₹ 59,667.70 Lakh):

(a) Security provided:

(i) First charge on all the present and future movable and immovable property, plant and equipment including intangible assets, assignment of rights and benefits but excluding project assets for Khurja FTWZ project, Khurja Distiripark Project, Nagpur project and Rail project on pari passu basis.

(ii) Second charge on current assets of the Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.

(iii) first pari passu charge by way of hypothecation on the Panvel Receivables both existing and future of whatsoever nature.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(v) The loans are secured by pledged of shares held by the two Promoter Directors of the Company.

(b) Terms of Interest rate

Rate of Interest is @ 10% p.a. compounded quarterly.

Notes to the financial statements for the year ended 31st March, 2021

(c) Terms of Repayment:-

Year	₹ in Lakh
FY 2017-18	5,671.09
FY 2021-22	14,001.46
FY 2022-23	40,404.50
Total	**60,077.05**

(d) The Company has been in default for the repayment of principal amount of ₹ 5,671.09 Lakh. (31st March, 2020 - ₹ 5,671.09 Lakh).

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 255.33 Lakh (31st March, 2020 - ₹ 409.35 Lakh).

21.3 Vehicle loans from Bank

Two vehicle loans are secured by way of hypothecation of vehicles. Rate of interest for both loan is @ 8.55% p.a. and repayment tenure in monthly instalment up to October 2023 and January 2024 respectively.

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
22. Lease Liabilities		
Lease Liabilities (Refer Note No.46)	130.74	77.02
Total	**130.74**	**77.02**
23. Other Financial Liabilities		
Financial Liabilities at amortised cost		
Financial guarantees obligations	422.99	874.93
Total	422.99	874.93
24. Provisions		
Provision for employee benefits (Refer Note No.45)		
Gratuity	51.76	65.72
Leave encashment	18.11	24.84
Total	**69.87**	**90.56**
Current Financial Liabilities		
25. Borrowings		
Secured		
(a) Loan from Other Parties	9,019.16	9,024.05
Unsecured		
(a) Loans from Promoter Directors	288.40	247.33
(b) Inter Corporate Deposits	77.00	77.00
Total	9,384.56	9,348.38

Notes to the financial statements for the year ended 31st March, 2021

(25.1) Loan from Other Parties

(1) Loan of ₹ 8,474.05 Lakh (31st March, 2020 - ₹ 8,474.05 Lakh)

(i) Securities provided

- First Ranking charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of the Company as per the Deed of Hypothecation.
- The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(ii) Terms of interest: @ 18% p.a.

(iii) The Company has been in default for the repayment of principal amount of ₹ 8,474.05 Lakh since 30th June, 2018

(2) Loan of ₹ 545.11 Lakh (31st March, 2020 - ₹ 550 Lakh)

(i) Securities provided

- Exclusive charges on cash flows of Domestic warehousing building.
- The above loans are secured by mortgage over lands admeasuring 7,130 Sq. mt. of the Company and wholly owned subsidiaries company.
- The above loans are secured by personal guarantees of one Promoter Director of the Company.
- The above loans are secured by corporate guarantees of the two subsidiary Companies.

(ii) Terms of interest: @ 11% p.a.

(iii) The Company has been in default for the repayment of principal amount of ₹ 545.11 Lakh since FY 2019-20.

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

(25.3) Unsecured Loan Inter Corporate Deposits:

Intercorporate Deposit of ₹ 77 Lakh (31st March, 2020 - ₹ 77 Lakh) is interest free and repayable on demand.

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
26. Trade Payables		
Micro and Small Enterprises (Refer Note No. 44)	148.64	188.37
Others	779.01	814.19
Total	**927.65**	**1,002.56**
27. Lease Liabilities		
Lease Liabilities (Refer Note No.46)		
Financial guarantees obligations	46.80	97.91
Total	46.80	97.91

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
28. Other Financial Liabilities		
Financial Liabilities at amortised cost		
Current maturities of long term debts from banks	4,913.35	4,833.22
Current maturities of long term debts from other parties	32,205.55	17,644.01
Current maturities of vehicle loan	2.76	2.08
Interest accrued and due on borrowings	30,180.66	15,320.04
Interest accrued but not due on borrowings	2,588.93	5,114.98
Interest payable on delayed payments to MSME creditors (Refer Note No. 44)	7.30	6.58
Deposit from Unitholders	113.12	412.35
Financial Guarantee Obligations	437.38	519.83
Payable for capital goods	77.25	120.10
Dues to employees	185.49	237.07
Payable for expenses	373.97	207.78
Other payables	50.00	-
Total	**71,135.76**	**44,418.04**

28.1 Term loans from Bank:

(1) Rupee loan of ₹ 1,463.41 Lakh (31st March, 2020 - ₹ 1,463.41 Lakh):

(i) Securities provided

- Second charge on movable and immovable property, plant and equipments of the Company, present and future on pari-passu.
- The above loan is secured by personal guarantees of two Promoter Directors of the Company.

(ii) Terms of Interest rate:

Rate of interest is @ 12.35% to 12.45% p.a.

(iii) Terms of Repayment & Default:

The bank has been recalled loan of ₹ 1,463.41 Lakh (31st March, 2020 - ₹1,463.41 Lakh) and interest (including penal interest) of ₹ 664.25 Lakh (31st March, 2020 - ₹ 404.05 Lakh).

(2) Rupee loan of ₹ 3,200.00 Lakh (31st March, 2020 - ₹ 3,196.80 Lakh):

(a) Securities provided

(i) Second charge on movable and immovable Panvel assets of the Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Company .

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

Notes to the financial statements for the year ended 31st March, 2021

(b) Terms of Interest rate

Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in Bullet payment at the end of the tenure of loan i.e. 36 months from the date of first disbursement i.e. 21st March, 2018.

(d) The Company has been in default for the repayment of principal amount of ₹ 3,200.00 Lakh in FY 2020-21.

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2020 - ₹3.20 Lakh).

28.2 Term loans from Other Parties:

(1) Loan of ₹ 5,000.00 Lakh (31st March, 2020 - ₹ 5,000.00 Lakh) (Refer Note No. 41)

(i) Secured by first and exclusive charge on land situated at Village Butibori at Nagpur, Maharashtra.

(ii) The above loan is secured by personal guarantees of two Promoter Directors of the Company.

(iii) Rate of interest is @ 20% p.a.

(2) Loan of ₹ 2,000.00 Lakh (31st March, 2020 - ₹ 2,000.00 Lakh) (Refer Note No. 42)

(i) Secured by first and exclusive charge on land situated at Khurja, Bulandshahr, Uttar Pradesh.

(ii) The above loan is secured by personal guarantees of two Promoter Directors of the Company.

(iii) Rate of interest is @ 18% p.a.

(3) Rupee term loan of ₹ 3,433.00 Lakh (31st March, 2020 - ₹ 2,881.65 Lakh):

(a) Securities provided

(i) Second charge by way of equitable mortgage/hypothecation on the entire immovable and movable property, plant and equipment of the Company on pari-passu basis.

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

(b) Terms of Repayment:-

Rupee term loan is repayable in 13 structured quarterly installments commencing from 31st January, 2018.

(c) The Company has been in default for the repayment of principal amount of ₹ 3,433.00 Lakh. (31st March, 2020 - ₹ 1,910.00 Lakh)

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2020 - ₹ 53.35 Lakh).

(3) Rupee term loan of ₹ 2,100.00 Lakh (31st March, 2020 - ₹ 2,091.27 Lakh)

(a) Securities provided

(i) The above loan are secured by charge on residual cashflow of the Company.

(ii) The above loans are secured by the immovable property held by one Promoter Director of the Company on pari passu basis.

Notes to the financial statements for the year ended 31st March, 2021

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(iv) The above loans are secured by pledged of shares held by the one Promoter Director of the Company.

(b) Terms of Interest rate

Rate of Interest is @ 18% p.a.compounded half yearly.

(c) Terms of Repayment:-

Rupee term loan is repayable in bullet payment at the end of the tenure of loan i.e. 15th May 2020.

(d) The Company has been in default for the repayment of principal amount of ₹ 2,100.00 Lakh.

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2020 - ₹ 8.73 Lakh).

28.3 Details of default in payment of Interest on secured loans as on 31st March, 2021 are as follows:

(₹ in Lakh)

Year	Banks	Others	Total
FY 2018-19	271.92	4,261.46	4,533.38
FY 2019-20	1,083.65	7,944.21	9,027.86
FY 2020-21	977.37	13,106.60	14,083.97
Total	**2,332.94**	**25,312.27**	**27,645.21**

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
29. Other Current Liabilities		
Trade advances received (Refer Note No. 62)	2,799.47	1,707.90
Statutory Liabilities		
Statutory dues (Refer note below)	1,244.34	1,062.41
Interest on delayed payment of statutory dues	989.95	810.08
Total	**5,033.76**	**3,580.39**

Note:

Statutory dues included Tax deducted at sources (TDS), Goods and Service tax (GST), Provident Fund (PF), Profession Tax (PT) and Employee State Insurance Corporation (ESIC) .

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
30. Provision		
Provision for employee benefits (Refer Note No. 45)		
Leave encashment	5.11	7.14
Total	**5.11**	**7.14**

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
31. Liabilities classified as held for sale (Refer Note No.58)		
Financial Guarantee Obligations	-	17.55
Total	**-**	**17.55**

(₹ in Lakh)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
32. Revenue From Operations		
Sale of services		
Free Trade and Warehousing Zone operations		
Consideration on Lease of Land	1,492.95	19,378.04
Conditional Lease Rent	2,500.00	2,500.00
Business Conducting Fees (Refer Note No. 56)	2,639.44	1,863.06
Income from Domestic Warehousing	88.20	127.05
Total	**6,720.59**	**23,868.15**
33. Other Income		
Bank fixed deposits	1.02	1.09
Interest income from others	2.72	152.79
Interest income on tax refund	30.96	180.59
Interest income on financial assets carried at amortised cost		
Loan to Subsidiairies	232.87	208.46
Other Non Operating Income		
Financial guarantee income	554.42	616.36
Foreign exchange differences (net)	3.67	-
Sundry balances written back (net)	-	25.49
Allowance for doubtful debts written back	-	23.49
Provision for impairment of loan to subsidiary written back	738.30	-
Refund of Property Tax	177.48	-
Miscellaneous income	51.78	2.15
Gain on derecognised of Liability Component	16.13	-
Gain on derecognised of Financial guarantee income	18.97	10.97
Gain on disposal of investment in subsidiary	-	5.00
Gain on disposal of Property, plant and equipment (net)	0.17	0.38
Gain on Lease modification	4.66	2.51
Total	**1,833.15**	**1,229.28**

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
34. Cost of Inventories (Lease Land)		
Cost of Inventories (Lease Land)	-	5,775.28
Total	**-**	**5,775.28**
35. Employee Benefits Expense		
Salaries, wages and bonus	813.37	1,173.05
Contribution to provident and other funds	23.92	37.88
Share based payments (Refer Note No. 61)	107.67	23.15
Staff welfare expenses	16.17	38.83
Total	**961.13**	**1,272.91**
36. Finance Cost		
Interest expense on borrowings	14,606.88	12,859.03
Unwinding Interest on Lease Liabilities	12.84	32.96
Interest expense on MSMED vendors	2.83	4.02
Interest expense on statutory dues	179.90	152.44
Other borrowing costs	9.93	73.87
Total	**14,812.38**	**13,122.32**
37. Depreciation and Amortisation Expense		
Depreciation on Property, plant and equipment	1,045.65	1,148.15
Depreciation on Right of use assets (Refer Note No.46)	26.88	103.01
Amortisation of intangible assets	217.14	319.93
Total	**1,289.67**	**1,571.09**
38. Other Expenses		
Electricity charges	116.56	107.32
Rent	2.20	4.89
Repairs and maintenance:		
- Building	8.59	2.19
- Plant and Machinery	32.42	31.55
- Others	29.75	35.88
Insurance	4.23	6.80

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Rates and taxes	2.71	13.33
Communication expenses	18.46	15.15
Travelling and conveyance expenses	5.02	13.59
Vehicle expenses	16.38	27.45
Printing and stationery	2.32	14.42
Legal and professional fees	56.09	108.39
Security charges	64.22	71.41
Auditor's remuneration:		
- Audit Fees	54.00	54.00
- Limited Review Fees	15.00	15.00
- Certification fees	1.10	1.80
Advertisement and Sales Business Promotion expenses	6.30	14.24
Allowance for doubtful debts	6.92	-
Bad debts	-	34.85
Foreign exchange differences (net)	-	41.20
Director sitting fees	3.85	3.10
Cost Recovery and other Charges	39.00	50.69
Miscellaneous expenses	43.66	52.01
Sundry balance written off (net)	989.81	-
Driscarding/written off of Capital Work in progess / Property, plant and equipment / Intangible assets	-	26.50
Total	**1,518.59**	**745.76**
39. Exceptional Items		
Provision for impairment of loan to subsidiary (Refer Note No. 57 (a))	-	15,111.81
Provision for impairment of investment in subsidiary (Refer Note No. 57 (a))	-	86,088.63
Settlement of claims (Refer Note No. 59)	-	6,861.81
Total	**-**	**108,062.25**

Notes to the financial statements for the year ended 31st March, 2021

40 Contingent Liabilities (to the extent not provided for in respect of):

(₹ in Lakh)

S. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
(i)	Disputed Income Tax demands	8,444.43	8,444.43
(ii)	Disputed Service Tax demands	62.68	62.68
(iii)	Disputed Local Body Tax demands	160.33	160.33
(iv)	Claims against the Company not acknowledged as debts	2,292.48	2,155.68
(v)	Bond cum legal under taking	5,196.00	5,196.00
(vi)	Bank Guarantees	15.00	15.00
(vii)	Corporate Guarantees given (refer below note)	18,500.00	18,500.00

Note:

The Company had given guarantees to a lender of ₹ 185 Crore on behalf of Mira Supply Chain Management Private Limited when it was subsidiary till January 2018, of the Company. The Company charged guarantee commission @ 0.5% per annaum on outstanding loan amount of ₹ 2,965.11 Lakh.

41 During the year ended 31st March, 2018, a Public Financial Institution (PFI) agreed to settle their outstanding loan constituting principle and interest of ₹ 16,700.00 Lakh by signing of Settlement Terms. Settlement Terms involves payment of ₹ 5,000.00 Lakh and balance amount of ₹ 11,700.00 Lakh, by way of allotment of Optionally Convertible Redeemable Preference Shares - V (OCRPS - V), convertible upto 15,50,000 equity shares of the Company at the option of the PFI and necessary effect has been given in the books of accounts during the year ended 31st March, 2018. As per shareholder approval, on dated 29th January 2018, the Company has approved allotment of 11,70,000 OCRPS – V and the same was converted into 15,50,000 Equity shares on 22nd February, 2018 as per Settlement Terms. Subsequently the PFI and Company filed Settlement Terms in the Hon'ble High Court of Bombay under ongoing litigation against the Company and court has recorded allotment of the equity shares as exercised by the PFI and outstanding debt remains at ₹ 5,000.00 Lakh.

During the pendency of litigation, the PFI has assigned their debts to Edelweiss Asset Reconstruction Company Ltd(EARC) during 31st March, 2019. The upon acknowledgement of receipts of outstanding of ₹ 5,000.00 Lakh dues under Settlement Terms, the Court has disposed off the said litigation. In line with High court order, the Company recorded liabilities in name of EARC for payment made by them to PFI. Pursuant to said assignment of debt, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges. The Company continues to provide interest in line with major terms negotiated with EARC until the finalisation of the restructuring agreement. Upon finalization of the terms of restructuring with EARC, the Company shall record the effect of the revised terms as to the repayment of principal and interest (including penal interest) in the period in which it is completed.

42 During the year ended 31st March, 2019, the Company has defaulted in payment of ₹ 2,000.00 Lakh as per Consent Terms signed with one of the Non-Banking Financial Company (NBFC). During the pendency of litigation, the said NBFC has assigned its debt to Edelweiss Asset Reconstruction Company (EARC) during the previous year end 31st March, 2020 against payment of outstanding amount under the said Consent Terms. Upon acknowledgement of payment from EARC, the High Court of Bombay disposed off the case. In line with High Court of Bombay order, the Company recorded liabilities in name of EARC payment made by them to NBFC. Pursuant to said assignment of debt, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges.

The Company continues to provide interest in line with major terms negotiated with EARC until the finalisation of the restructuring agreement. Upon finalization of the terms of restructuring with EARC, the Company shall record the effect of the revised terms as to the repayment of principal and interest (including penal interest) in the period in which it is completed.

Notes to the financial statements for the year ended 31st March, 2021

43 Upon signing of Restructuring Agreement with Edelweiss Assets Reconstruction Company Limited (EARC) on 31st March 2017, the Company is accruing penal interest on restructured debt @ 8% p.a. based upon the balance confirmation provided by EARC till 30th September 2019 against the documented rate of 18% per annum. It has resulted in the short provision of penal interest amounting to ₹ 2,198.74 Lakh till the year ended 31st March, 2020 and amounting to ₹ 1,301.46 Lakh for the year ended 31st March 2021. In aggregate penal interest provisions are lower by ₹ 3,500.20 Lakh till 31st March 2021. The Company represented to EARC for revision in penal interest and the same is under discussion.

44 Disclosures under Micro, Small And Medium Enterprises

(₹ in Lakh)

S. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
a)	Principal amount due and remaining unpaid	148.64	188.51
b)	Interest due thereon remaining unpaid	7.30	6.58
c)	Interest paid by the Company in terms of Section 16 of the MSMED Act, 2016, along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e)	Interest accrued and remaining unpaid	7.30	6.58
f)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above ae actually paid to the micro and small enterprises.	-	-

Note: Dues to Micro, Small and Medium 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.

45 Employee Benefits

45.1 Disclosure pursuant to Indian Accounting Standard (IND AS) 19 – Employee Benefits

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognised as expenses for the years are as under:

(₹ in Lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Employer's Contribution to Provident Fund	3.98	6.11
Employer's Contribution to Pension Scheme	9.05	13.90
Employer's Contribution to ESIC	0.36	0.29

(b) Brief descriptions of the plans

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

Notes to the financial statements for the year ended 31st March, 2021

(c) Leave Encashment:

(₹ in Lakh)

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Provision recognised in the Balance Sheet		
Current Provision as at the end of the year	5.11	7.14
Non Current Provision as at the end of the year	18.11	24.84
Provision recognised in the Balance Sheet	**23.22**	**31.98**

(d) Defined benefit plan – Gratuity:

The employee's Gratuity fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up to final obligation.

(₹ in Lakh)

Particulars	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2012-14) Ult	Indian Assured lives Mortality (2012-14) Ult
Discount rate	5.65%	5.60%
Expected return on plan assets	4.80%	7.00%
Salary Escalation Rate	5.00%	5.00%
Withdrawal Rate	19.00%	19.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Provision as at the beginning of the year	82.86	96.62
Interest cost	4.01	6.73
Current service cost	7.44	11.93
Benefits paid	(11.37)	(14.04)
Acquisition adjustments	(11.15)	7.97
Actuarial (gain)/loss on obligations	(1.93)	(26.35)
Provision as at the end of the year	69.86	82.86
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	17.14	16.02
Expected return on plan assets	0.96	1.12
Actual Enterprise's Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	18.10	17.14
IV. Actual return on plan assets		
Expected return on plan assets	0.96	1.12
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	0.96	1.12

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
V. Provision recognised in the Balance Sheet		
Provision as at the end of the year	69.86	82.86
Fair value of plan assets as at the end of the year	18.10	17.14
Provision recognised in the Balance Sheet	51.76	65.72
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VII. Amount recognised in the Statement of Profit and Loss		
Current service cost	7.44	11.93
Interest cost	4.01	6.73
Expected return on plan assets	(0.96)	(1.12)
Net actuarial (gain)/loss to be on obligation	-	-
Expense recognised in Statement of Profit and Loss	10.49	17.54
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	(0.13)	(10.78)
Due to Change in demographic assumption	-	0.03
Due to Change in experience assumption	(1.80)	(15.60)
Expected return on plan assets	-	-
Total remasurement recognised in OCI	(1.93)	(26.35)
IX. Balance Sheet reconciliation		
Opening net provision	65.72	80.60
Expenses recognised in Profit & Loss	10.49	17.54
Actual Employer Contribution	(11.37)	(14.04)
Acquisition adjustments	(11.15)	7.97
Total Remeasurement recognised in OCI	(1.93)	(26.35)
Closing net provision	51.76	65.72

(e) Salary escalation assumption has been set in discussions with the enterprise based on their estimates of overall long-term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

45.2 Sensitivity analysis:

(₹ in Lakh)

Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended 31st March, 2021		
Salary growth rate	+0.50%	71.23
	-0.50%	68.52
Discount rate	+0.50%	68.54
	-0.50%	71.23
For the year ended 31st March, 2020		
Salary growth rate	+0.50%	84.63
	-0.50%	81.14
Discount rate	+0.50%	81.16
	-0.50%	84.62

Notes to the financial statements for the year ended 31st March, 2021

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the balance sheet.

These plans typically expose the Company to actuarial risks such as: longevity risk and salary risk.

(a) Interest risk - A decrease in the discount rate will increase the plan provision.

(b) Longevity risk - The present value of the defined benefit plan provision is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants. As such, an increase the plan's provision.

(c) Salary risk - The present value of the defined plan provision is calculated by reference to the future salaries of plan participants. As such, as increase in the salary of the plan participants will increase the plan's provision.

45.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 5 years (31st March, 2020 - 5 years).

46 Leases

Effective 1st April, 2019, the Company has adopted Ind AS 116 – "Leases" and applied the revised standard to all lease contracts thereby capitalising assets taken on operating lease existing on 1st April, 2019, using the modified retrospective method, without adjustment of comparatives.

(i) Movment of carrying value of right of use of assets

(₹ in Lakh)

Particulars	Building	Plant & Machinery	Furniture & Fixtures
Balance as at 1st April 2019	**212.38**	**120.00**	**-**
Add: Addition during the year	-	-	-
Less: Modification during the year	(64.96)	-	-
Less: Depreciation charge for the year	(77.71)	(25.30)	-
Balance as at 31st March 2020	**69.71**	**94.70**	**-**
Add: Addition during the year	-	-	100.25
Less: Modification during the year	(69.71)	-	-
Less: Depreciation charge for the year	-	(25.23)	(1.65)
Balance as at 31st March 2021	**-**	**69.47**	**98.60**

(ii) Movment of Lease liabilities

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	**174.93**	**332.38**
Add: Addition during the year	100.25	-
Add: Interest expenses on unwinding lease liabilities	12.84	32.96
Less: Payment of lease liabilities	(36.11)	(122.94)
Less: Modification during the year	(74.37)	(67.47)
Closing Balance	**177.54**	**174.93**

Notes to the financial statements for the year ended 31st March, 2021

47 Preparation of financial statements on " Going Concern" basis

The focussed emphasis of the Government on logistics infrastructure sector is a big boon for the Company's business plan. The recent amendments in the SEZ policy, allowing manufacturing within the FTWZs will enhance the scope of activities carried out by FTWZ exponentially and will improve the Company's ability to expand the client base multi-fold. This will enable the Company to offer additional value propositions to its clients and increase its business to a great extent, including 'Contract Manufacturing' in line with Global Free Zones. The management's plans as a developer of the business indicate that monetization will happen periodically, and staggered but significant payments will be received to streamline the cash flows.

Further, India is witnessing a rapid growth in internet penetration and telecommunication technology. The expansion of the consumer base is complemented by the Government's drive to digitalise the economy, all of which is propelling the demand for data centres in India. This has enhanced the Company's capabilities to expand its business into data centre and related infrastructure. The Company has received the requisite approval from the concerned authority for the development of an additional sector i.e. Electronic Hardware and Software (including IT/ITES) at its existing facility at Panvel.

A detailed business plan validation has been carried out by the Company through a reputed global consulting firm for business development of the FTWZ and data centre businesses. The outcome of the same is extremely encouraging.

In light of all the above developments and growing demand of warehousing, considering the ongoing transaction executed with Ascendas for monetisation of a new multi-storied warehouse at Panvel and given the fact that the facilities have been built at strategic locations, the management's view on the future outlook of its business is very promising. This has been well recognised by many marquee existing clients and new clients. This has thrown up a large opportunity for which the Company is now bracing itself and is confident of seeing positive results in coming years. Accordingly, the Financial Statements have been prepared on a going concern basis.

48 Certain creditors have initiated legal proceedings against the Company and its Directors. Majority of the creditors have been settled over the past few years and some of the creditors have shown interest and faith in the Group as well as in the logistics infrastructure sector and agreed to settle their outstanding liability by converting into Compulsory Convertible Debenture (CCD's) of the Company.

During the previous year ended 31st March, 2020 the Board of Directors has approved allotment of 1,42,42,873 equity shares of face value of ₹ 2/- each to the allottees upon conversion of 4,55,772 Compulsory Convertible Debentures (CCD's) of face value of ₹ 1,000/- each which were issued to the Creditors, as per SEBI regulation.

During the previous year ended 31st March, 2020 the Company has allotted 2,18,750 equity shares of ₹ 2/- each at a price of ₹ 32/- per share on preferential basis to one of the creditors towards outstanding liabilities of ₹ 70.00 Lakhs.

One creditor have initiated for winding up pretition against the Company. The Company is in process of negotiating and finalising the revised consent terms and/or making representations to the respective forum.

49 The Company is engaged in the business of development, operations and maintenance of Free Trade and Warehousing Zone (FTWZ) and Domestic Warehousing Zone. Certain portion of land at FTWZ which was classified under Property, Plant and Equipment (PPE) is transferred to inventories at their carrying amounts for future developments.

Out of the above land parcels, during the previous year ended 31st March, 2020, the Company had entered into 4 lease agreements aggregating to 14.42 Acres of land with wholly owned subsidiaries company for development of warehouses and Data Centre at FTWZ, Panvel and recognised the revenue from such long-term lease.

50 The Company has defaulted in agreed repayment schedule of Restructuring Agreement (RA). As per debt covenant, the Company is required to adhere to repayment schedule and any short payment gives Edelweiss Asset Reconstruction Company (EARC) the right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Company. No such notice of conversion in writing has been given by EARC and the Company continues to disclose the amount as non-current and current borrowings as per repayment schedule, in the Balance Sheet.

Notes to the financial statements for the year ended 31st March, 2021

51 Corporate Guarantees

The Company has issued a corporate guarantee of ₹ 35,732.23 Lakh (31st March, 2020 - ₹ 31,378.45 Lakh) to the lenders of Arshiya Northern FTWZ limited ("ANFL"), a subsidiary Company. This guarantee has been invoked by the lenders since ANFL had defaulted in servicing its borrowings towards principal and interest. The Company carried out fair valuation of this corporate guarantee through an independent chartered accountant firm and as per their report the value of security created in favour of the lender is higher than the total liability towards borrowing. Accordingly, no provision is required towards the guarantee so invoked.

52 The Hon'ble National Company Law Tribunal (NCLT), Mumbai by its order dated 6th December 2019 has approved Scheme of Arrangement for merger of Arshiya Industrial and Distribution Hub Limited (AIDHL) and Arshiya Transport and Handling Limited (ATHL) into Arshiya Rail Infrastructure Limited (ARIL), all wholly owned subsidiaries of the Company. Pursuant to the order the scheme has become effective on 6th January 2020 and AIDHL and ATHL stand amalgamated with ARIL from the appointed date i.e. 1st October 2015 based on the accounting treatment prescribed in the scheme. In consideration, 1 equity share of ARIL of ₹ 10/- each fully paid up for every 1 equity share held by the Company in AIDHL and ATHL. The effect of scheme given during the previous year ended 31st March 2020.

53 The Board of Directors of the Company at their meeting held on 24th May, 2018, had approved a Composite Scheme of Arrangement for Demerger of the Domestic Business undertaking of the Company with Arshiya Rail Infrastructure Limited ("ARIL") to reorganize its corporate structure spread across group companies and in order to integrate / consolidate its operations.

A Court convened Extra Ordinary General Meeting of Equity Shareholders of the Company was held on 13th January 2020, pursuant to the Order dated 9th December 2019 passed by the Hon'ble National Company Law Tribunal (NCLT). The shareholders of the Company have approved the Composite Scheme of Arrangement between Arshiya Limited ("Demerged Company") and Arshiya Rail Infrastructure Limited ("Resulting Company").

The said Scheme has been approved by shareholders, unsecured and secured creditors of the respective companies. Joint Petition has been admitted by Hon'ble NCLT, Mumbai on 15th June, 2021 for sanctioning of the aforesaid Scheme and the said petition is fixed for hearing before the Hon'ble NCLT, Mumbai on 8th July, 2021. The Scheme shall be given effect after receipt of necessary regulatory approvals.

54 Maharashtra VAT Refund Receivable

As per the Notification dated 16th May, 2013 issued by Government of Maharashtra, MVAT exemption /refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Company has claimed refund of ₹1,684.55 Lakh in respect of transactions prior to record date, as the Company is of the view that the State Government has exempted it from Local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra. The Company has filed an appeal before High Court of Bombay challenging the Constitutional validity of MVAT on various grounds and has claimed refund of ₹1,108.80 Lakhs. The Appeal has been admitted, issues are framed and final hearing is pending. Further MVAT refund claim of 575.75 Lakhs is pending with Sales Tax Department as the matter is of similar case. Accordingly, these financial statements reflect a sum of ₹1,684.55 Lakhs 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.

55 As per Ind AS 108 "Operating Segment" the Company has identified and reported segment information in two segments as under:

(i) Developing and Operating Free Trade & Warehousing Zone (FTWZ) and Special Economic Zone (SEZ)

(ii) Domestic Warehousing

The assets and liabilities that cannot be allocated between the segments are shown as unallocable assets and liabilities, respectively.

Notes to the financial statements for the year ended 31st March, 2021

55.1 Segmental Information as at and for the year ended 31st March, 2021 is as follows:-

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Segment Revenue		
FTWZ / SEZ	6,632.39	23,741.10
Domestic Warehousing	88.20	127.05
Total Revenue from Operations	**6,720.59**	**23,868.15**
Segment Results Before Tax and Interest		
FTWZ / SEZ	3,133.88	14,609.98
Domestic Warehousing	89.78	128.83
Total Segment Result	**3,223.66**	**14,738.81**
Less: Unallocated Expenses net of Income	(1,560.69)	(993.58)
Less: Finance Costs	14,812.38	13,122.32
Less: Exceptional Items (Net)	-	1,08,062.25
Loss before tax	**(10,028.03)**	**(1,05,452.18)**
Less: Tax Expenses	-	1,102.96
Loss after tax	**(10,028.03)**	**(1,06,555.14)**
Segment Assets		
FTWZ / SEZ	1,06,754.18	1,06,034.47
Domestic Warehousing	7,506.65	7,544.87
Unallocated	72,799.96	69,546.11
Total	**1,87,060.79**	**1,83,125.45**
Assets of Discontinuing Operations	1,145.89	1,145.89
Total Assets of Continuing and Discontinuing Operations	**1,88,206.68**	**1,84,271.34**
Segment Liabilities		
FTWZ / SEZ	7,021.06	5,837.15
Domestic Warehousing	-	2.31
Unallocated	1,20,514.73	1,08,077.07
Total	**1,27,535.79**	**1,13,916.53**
Liabilities of Discontinuing Operations	-	17.55
Total Liabilities of Continuing and Discontinuing Operations	**1,27,535.79**	**1,13,934.08**
Other Disclosures		
Capital Expenditure		
FTWZ / SEZ	24.53	97.91
Domestic Warehousing	-	-
Unallocated	-	-
Total	**24.53**	**97.91**

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Depreciation and amortisation expenses		
FTWZ / SEZ	1,289.67	1,571.09
Domestic Warehousing	-	-
Unallocated	-	-
Total	**1,289.67**	**1,571.09**
Non-cash Expenditure		
FTWZ / SEZ	8.50	61.35
Domestic Warehousing	(1.58)	-
Unallocated	-	1,01,200.44
Total	**6.92**	**1,01,261.79**

55.2 Entity-wide disclosure required by IND AS 108 are made as follows:

(a) Revenue from external sales and services

(₹ in Lakh)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
India	6,720.59	23,868.15
Outside India	-	-
Total	**6,720.59**	**23,868.15**

(b) Segment Assets

All assets are within India only.

55.3 Information about major customers:

Revenues from three customers aggregating to ₹ 6,430.44 Lakh (31st March, 2020 ₹ 21,878.04 Lakh) exceeds 10% or more.

56 The Company has entered into Business Conducting and Services Agreement with Arshiya Lifestyle Limited (ALL) (wholly owned subsidiary) in relation to operation of Six Warehouses taken on sub-lease from Ascendas Panvel FTWZ Limited ("APFL") and operation of Container Yard and Open Yard owned by the Company. The aforesaid Business Conducting and Services Agreement is to be read in the overall context of Lease Deed dated 3rd February, 2018, Sub-Lease Deed dated 3rd February, 2018 and other agreements and documents entered into in connection with lease of Six Warehouses by the Company, being owner, to APFL and Sub-Lease of the said Six Warehouses by APFL to ALL and transfer of all rights and obligations under the Existing Unit Holder Agreements entered into by the Company to and in favour of ALL. The Company for the administration and operational expediency entrusted ALL to carry out operating and managing the open yard, the container yard and warehouses whereby ALL agreed to undertake and conduct the business of operating and managing the open yard and the container yard and warehouses and provide other services by utilizing the infrastructure facilities provided by the Company. ALL shall also received all the incomes generated from the warehouses and storage yard, bearing the cost and expenses to operate and maintain the warehouses and storage yard. Pursuant to the aforesaid Business Conducting and Services Agreement, the ALL will pay 99% of excess revenue / Total Income over all the expenses / charges / provisions to the Company as Business Conducting Fees. Accordingly, the Company has recognised as Business Conducting fees ₹ 2,639.44 Lakh during the year ended 31st March, 2021 (31st March 2020 - ₹ 1,863.06 Lakh).

Notes to the financial statements for the year ended 31st March, 2021

57 Investments

(a) The Company's non-current investment in subsidiary and its current loans dues from subsidiary aggregating to ₹ 1,00,462.14 Lakh (31st March, 2020 - ₹ 1,01,200.44 Lakh). As a matter of prudence and as per the accounting treatment described in the scheme of arrangement (refer note no. 53), the Company has created necessary provisions to the carrying value of investment in and loans receivables from subsidiary.

(b) The Company's non-current investment in Arshiya Northern FTWZ Limited's (ANFL, a subsidiary of the Company) and its loans dues are aggregating to ₹ 60,010.73 Lakh. Based on ANFL, business re-structuring and revival plans and in-principle term sheet signed with Ascendas Property Fund Trustee Pte. Ltd. ("Ascendas") for monetisation of warehouse, an assessment was carried out by the management of the Company and hence no provision for impairment on it's investment and loan to ANFL is considered necessary as on 31st March 2021.

(c) During the Current year the Company has acquired 100% shareholding in the Company namely AMD Business Support Services Private Limited.

58 The Company has entered into conditional Share Purchase Agreements with Ascendas Property Fund (India) Pte. Ltd. ("APFI") for sale of entire equity shares of Anomalous Infra Private Limited ("AIPL") and Arshiya Northern Projects Private Limited ("ANPPL") to APFI, upon fulfilment of certain conditions precedent and is subject to various approvals. Hence, investment in AIPL and ANPPL has been considered as Investment held for sale and discontinued operation as per Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations". As per transaction documents related to AIPL, the construction activities of the new multi-storied warehouse building at FTWZ Panvel has been completed and is expected to be monetised in Q2-FY22 or early Q3-FY22.

59 During the previous year ended 31st March 2020, exceptional items include ₹ 6,551.81 Lakh towards settlement of disputed statutory liability related to its erstwhile wholly owned subsidiary. Post hiving off this Subsidiary, the Company had received a notice from the aforesaid erstwhile Subsidiary informing about the litigation with respect to statutory liability under Finance Act, 1994, pertaining to the period when it was a subsidiary of the Company. Based on the opinion and advise received from independent professionals and experts, to avoid probable litigation(s) a Settlement Agreement has been entered into with the erstwhile Subsidiary.

60 During the previous year ended 31st March 2020, pursuant to deed of assignment dated 19th April, 2019, entered into between the Company with its wholly owned subsidiaries namely Arshiya Rail Infrastructure Limited, Arshiya Industrial & Distribution Hub Limited and Arshiya Northern FTWZ Limited, liabilities amounting to ₹ 362.88 Lakhs, ₹ 83.41 Lakhs and ₹ 3,699.00 Lakhs respectively, are transferred/ assigned to the Company. Against these liabilities Compulsorily Convertible Debentures (CCDs) of the Company has been allotted to the respective creditors and all CCDs has been converted into equity shares of the Company.

61 Share Based Payments

On 30th January, 2020 by virtue of approval accorded by the members of the Company in respect of Arshiya Limited Employees Stock Option Scheme, 2019 (hereinafter referred to as the "Scheme, 2019") the Board of Directors of the Company approved grant of 17,50,000 (Seventeen Lakh Fifty Thousand Only) Employee Stock Options to some of the eligible and deserving employees of the Company and a subsidiary under the Scheme, 2019.

The fair value of stock options has been determined at the date of grant of the stock options. This fair value, adjusted by the Company's estimate of the number of stock options that will eventually vest, is expensed over the vesting period.

The fair values were calculated using the Black-Scholes Call Option Pricing Model for tenure based stock options. The inputs to the model include the share price based on the market price at date of grant, exercise price, expected life of options, annual volatility, expected dividends and the risk free rate of interest. Annual volatility has been calculated using median of comparable peers (to the extent data available). All options are assumed to be exercised within 1 year from the date of vesting period.

Notes to the financial statements for the year ended 31st March, 2021

The assumptions used in the calculations of the charge in respect of the stock options granted are set out below:

Particulars	ESOP 2019
No. of Options	17,50,000
Exercise Price (in ₹)	2.00
Stock Price (in ₹)	17.00
Implied Volatility (in %)	64.52%
Risk free rate (in %)	5.20%
Time of Maturity (in Years)	1.50
Dividend Yield (in %)	0%
Fair value of Options (in ₹)	15.39
Option Granted Date	30th Janauary 2020
Vesting Date	29th Janauary 2021

The Company recognized total expenses of ₹ 107.67 lakh (31st March, 2020- ₹ 23.15 lakh) related to above equity settled share-based payment transactions. Further, ₹ 108.95 lakh (31st March 2020 - ₹ 21.86 lakh) in respect of stock option to the employees of subsidiary are recognised on exercise of the said options.

During the year ended 31st March 2021, the Company has allotted 17,00,000 equity shares to eligible employees upon exercised under the Arshiya Limited Employee Stock Option Scheme 2019.

Movement of share options during the year as below:

Particulars	31st March, 2021	31st March, 2020
Opening Balance	17,50,000	-
Add: No. of Options granted	-	17,50,000
Less: No. of Options Lapsed	(50,000)	-
Less: No. of Options exercised	(17,00,000)	-
Closing Balance	**-**	**17,50,000**

62 Related party disclosures, as required by Indian Accounting Standard 24 "Related Party Disclosures" (IND AS-24) as given below:

S.No.	Name of the entity	Country of Incorporation	Proportion of interest (including beneficial interest)/voting power (either directly/indirectly or through subsidiaries)	
	Direct Subsidiaries:			
(i)	Arshiya Rail Infrastructure Limited	India	100%	100%
(ii)	Arshiya Northern FTWZ Limited	India	100%	100%
(iii)	Arshiya Technologies (India) Private Limited	India	100%	100%
(iv)	Arshiya Lifestyle Limited	India	100%	100%
(v)	Arshiya Logistics Services Limited	India	100%	100%
(vi)	Anomalous Infra Private Limited	India	100%	100%
(vii)	Arshiya Northern Projects Private Limited	India	100%	100%
(viii)	Arshiya Infrastructure Developers Private Limited	India	100%	100%

Notes to the financial statements for the year ended 31st March, 2021

S.No.	Name of the entity	Country of Incorporation	Proportion of interest (including beneficial interest)/voting power (either directly/indirectly or through subsidiaries)	
(ix)	Unrivalled Infrastructure Private Limited	India	100%	100%
(x)	Arshiya Data Centre Private Limited	India	100%	100%
(xi)	AMD Business Support Services Private Limited (w.e.f. 8th April, 2020)	India	100%	Nil
	Indirect Subsidiaries:			
	Held through Arshiya Logistics Services Limited:			
(xii)	Arshiya 3PL Services Private Limited	India	100%	100%
(xiii)	Arshiya Panvel Logistics Services Private Limited	India	100%	100%
	Held through Arshiya Lifestyle Limited:			
(xiv)	Arshiya Panvel FTWZ Services Private Limited	India	100%	100%

(I) Person having significant influence over the Company

Mr. Ajay S Mittal – Chairman and Managing Director
Mrs. Archana A Mittal – Joint Managing Director

(II) Key Management Personnel

Mr. Ashish Bairagra - Independent Director
Mr. Rishabh Shah - Independent Director
Mr. Tara Sankar Bhattacharya - Independent Director (till to 27th June, 2020)
Mrs. Manjari Ashok Kacker - Independent Director (w.e.f. 30th January, 2020)
Mr. Ved Prakash - Independent Director (w.e.f. 27th June, 2020)
Mr. Mukesh Kacker - Independent Director (till 9th September, 2019)
Mr. Dinesh Kumar Sodani - Chief Financial Officer
Mr S. Maheshwari - Chief Financial Officer of Arshiya Limited and Group President (till 30th June, 2019)
Mrs. Savita Kodian – Company Secretary and Compliance Officer (till 26th April, 2020)
Mrs. Yesha Maniar – Company Secretary and Compliance Officer (w.e.f. 25th August, 2020 to 31st October, 2020)
Mrs. Ratika Gandhi – Company Secretary and Compliance Officer (w.e.f. 12th February, 2021)

(III) Relative of Person having significant influence over the Company

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

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

Laxmipati Balaji Supply Chain Management Limited (w.e.f. 3rd September, 2019)

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

(₹ in Lakh)

Nature of transactions	Name of the Party	31st March, 2021	31st March, 2020
Revenue from operations	Arshiya Lifestyle Limited	2,639.44	1,863.06
	Anomalous Infra Private Limited	3.00	5,272.05
	Arshiya Data Centre Private Limited	3.00	13,068.76

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Nature of transactions	Name of the Party	31st March, 2021	31st March, 2020
Income billed to customer on behalf of the Subsidiary Company	Arshiya Lifestyle Limited	1,335.00	1,600.26
Advance Finance Lease Income	Anomalous Infra Private Limited	198.95	729.49
	Arshiya Data Centre Private Limited	1,285.00	304.73
Unwinded Interest Income on Loan to subsidiaries	Arshiya Lifestyle Limited	232.87	208.46
Financial Guarantees Income	Arshiya Rail Infrastructure Limited	363.26	381.28
	Arshiya Northern FTWZ Limited	56.05	73.65
	Arshiya Lifestyle Limited	102.56	125.90
	Anomalous Infra Private Limited	17.55	20.52
Gain on derecognised of Financial guarantee income	Arshiya Rail Infrastructure Limited	18.97	-
Reimbursement/Allocation of common costs and expenses recovered (Refer Note No. 66)	Arshiya Rail Infrastructure Limited	145.59	267.01
	Arshiya Northern FTWZ Limited	80.74	24.27
	Arshiya Lifestyle Limited	616.61	677.05
	Anomalous Infra Private Limited	211.50	96.00
	Arshiya Data Centre Private Limited	135.00	-
Payment of Lease Rent	Arshiya Northern FTWZ Limited	36.12	33.76
Payment of Electricity Expenses	Laxmipati Balaji Supply Chain Management Limited	19.73	-
Disposal of Property, Plan and Equipment	Laxmipati Balaji Supply Chain Management Limited	334.83	-
Remuneration paid to Key Managerial Person	Mr. S. Maheshwari	-	44.82
	Mr. Dinesh Kumar Sodani	51.70	34.47
	Mrs. Savita Kodian	4.68	16.45
	Mrs. Ratika Gandhi	3.12	-
ESOP excerised at face value ₹ 2/-	Mr. Dinesh Kumar Sodani	5.00	-
Director sitting fees	Mr. Ashishkumar Bairagra	1.25	1.40
	Mr. Rishabh Shah	1.20	0.90
	Mr. Mukesh Kacker	-	0.20
	Mrs. Manjari Kacker	0.60	0.40
	Mr. Ved Prakash	0.80	-
	Mr. T S Bhattacharya	-	0.20
Loans and advances given	Arshiya Rail Infrastructure Limited	398.52	1,053.04
	Arshiya Northern FTWZ Limited	971.31	4,940.54
	Arshiya Technologies (India) Private Limited	1.41	2.17
	Arshiya Logistics Services Limited #	526.02	303.94
	Anomalous Infra Private Limited	1.70	96.59
	Unrivalled Infrastructure Private Limited	0.04	0.10
	Arshiya Infrastructure Developers Private Limited	0.44	0.80

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Nature of transactions	Name of the Party	31st March, 2021	31st March, 2020
	Arshiya Northern Projects Private Limited	6.42	1.10
	Arshiya Panvel FTWZ Services Private Limited	0.04	0.03
	Arshiya Panvel Logistics Services Private Limited	0.05	0.03
	Arshiya Data Centre Private Limited	0.53	10.00
	Arshiya 3PL Services Private Limited	114.36	105.07
	AMD Business Support Services Private Limited	2,518.75	-
Loans and advances given repaid/adjusted	Arshiya Rail Infrastructure Limited	1,282.40	2,769.43
	Arshiya Northern FTWZ Limited	635.99	592.99
	Arshiya Technologies (India) Private Limited	0.09	-
	Arshiya Lifestyle Limited	-	791.70
	Arshiya Logistics Services Limited #	526.02	303.94
	Anomalous Infra Private Limited	23.69	75.00
	Unrivalled Infrastructure Private Limited	0.04	0.11
	Arshiya Panvel FTWZ Services Private Limited	0.04	0.03
	Arshiya Panvel Logistics Services Private Limited	0.05	0.03
	Arshiya 3PL Services Private Limited	22.37	20.80
Loans and advances taken	Mr. Ajay S Mittal	395.39	100.00
	Mrs. Archana A Mittal	608.60	420.39
Loans and advances taken repaid/adjusted*	Mr. Ajay S Mittal	422.01	96.19
	Mrs. Archana A Mittal	540.90	331.97
Investment in Subsidiaries	Arshiya Data Centre Private Limited	-	1.00
	AMD Business Support Services Private Limited	1.00	-
Investments purchased from	Mr. Ajay S Mittal	-	0.50
	Mr. Ananya Mittal	-	0.50
Investments sold to	Mr. Ajay S Mittal	-	5.00
	Mr. Ananya Mittal	-	5.00
Share Application Money given and return back	Erstwhile Arshiya Transport and Handling Limited	-	1,950.00
Corporate guarantees given	Arshiya Lifestyle Limited	714.73	1,666.20
	Anomalous Infra Private Limited	-	7,000.00
Corporate guarantees reduced	Arshiya Lifestyle Limited	5,537.96	5,163.75

As per the arrangements, inter-alia, entered into between the Company, Arshiya Logistics Services Limited (ALSL) and Arshiya Lifestyle Limited (ALL), the balance payable to ALSL has been adjusted against balance receivable to ALL and the net payable to ALL has been disclosed.

Notes to the financial statements for the year ended 31st March, 2021

Closing Balances

(₹ in Lakh)

Nature	Related Party	As at 31st March, 2021	As at 31st March, 2020
Loans and advances given	Arshiya Rail Infrastructure Limited	14,373.51	15,111.81
	Arshiya Northern FTWZ Limited	14,688.48	14,272.43
	Arshiya Technologies (India) Private Limited	5.89	4.57
	Arshiya Lifestyle Limited	5,233.80	5,000.93
	Anomalous Infra Private Limited	-	21.98
	Arshiya Infrastructure Developers Private Limited	1.25	0.81
	Arshiya Northern Projects Private Limited	7.80	1.38
	Arshiya Data Centre Private Limited	10.53	10.00
	Arshiya 3PL Services Private Limited	176.27	84.28
	AMD Business Support Services Private Limited	2,518.75	-
	Impairement allowance for Loan given to Arshiya Rail Infrastructure Limited	(14,373.51)	(15,111.81)
	Total	**22,642.77**	**19,396.38**
Trade receivables	Anomalous Infra Private Limited	12,319.85	12,064.33
	Arshiya Data Centre Private Limited	12,136.79	10,714.02
Advance from customer	Arshiya Lifestyle Limited	2,799.47	1,707.90
Trade Payable	Laxmipati Balaji Supply Chain Management Limited	4.97	-
Other recoverable	Laxmipati Balaji Supply Chain Management Limited	334.83	61.52
Loans taken	Mr. Ajay S Mittal	77.07	103.70
	Mrs. Archana A Mittal	211.32	143.63
Personal guarantees taken	Mr. Ajay S Mittal	2,02,420.00	2,02,420.00
	Mrs. Archana A Mittal	1,91,870.00	1,91,870.00
Financial Guarantee Obligations	Arshiya Rail Infrastructure Limited	616.26	998.50
	Arshiya Northern FTWZ Limited	112.10	168.16
	Arshiya Lifestyle Limited	132.01	228.11
Investment in subsidiaries (Refer Note No.7)	Arshiya Northern FTWZ Limited	44,625.29	44,625.29
	Arshiya Rail Infrastructure Limited	82,873.93	82,873.93
	Arshiya Technologies (India) Private Limited	2.00	2.00
	Arshiya Lifestyle Limited	14.85	14.85
	Arshiya Logistics Services Limited	155.50	155.50
	Arshiya Infrastructure Developers Private Limited	1.00	1.00
	Unrivalled Infrastructure Private Limited	1.00	1.00
	Arshiya Data Centre Private Limited	1.00	1.00
	AMD Business Support Services Private Limited	1.00	-
	Provision for impairment in the value of Investment in Arshiya Rail Infrastructure Limited	(82,873.93)	(82,873.93)
	Total	**44,801.64**	**44,800.64**

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Nature	Related Party	As at 31st March, 2021	As at 31st March, 2020
Deemed Equity (Refer Note No. 7)	Arshiya Northern FTWZ Limited	696.96	696.96
	Arshiya Rail Infrastructure Limited	3,214.70	3,214.70
	Arshiya Lifestyle Limited	2,009.18	2,002.72
	Arshiya Data Centre Private Limited	2,649.41	2,649.41
	Provision for impairment in the value of Deemed Investment in Arshiya Rail Infrastructure Limited	(3,214.70)	(3,214.70)
	Total	**5,355.55**	**5,349.09**
Assets held for sale (Refer Note No. 18)	**Investment in Subsidiary**		
	Anomalous Infra Private Limited	11.00	11.00
	Arshiya Northern Projects Private Limited	5.00	5.00
	Deemed Equity		
	Anomalous Infra Private Limited	1,129.89	1,129.89
Corporate guarantees/securities issued to	Arshiya Northern FTWZ Limited	28,450.00	28,450.00
	Arshiya Rail Infrastructure Limited	75,400.00	78,400.00
	Arshiya Lifestyle Limited	17,810.15	22,633.39
	Anomalous Infra Private Limited	7,000.00	7,000.00
Corporate guarantees/securities received from	Arshiya Rail Infrastructure Limited	550.00	550.00
	Arshiya Northern FTWZ Limited		

63 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

(₹ in Lakh)

Name of the Subsidiary	Year	Amount outstanding as on March 31,	Maximum amount outstanding during the year
Arshiya Rail Infrastructure Limited	2021	14,373.51	15,111.81
	2020	15,111.81	18,616.23
Arshiya Northern FTWZ Limited	2021	14,688.48	15,079.48
	2020	14,272.43	14,469.45
Arshiya Technologies (India) Private Limited	2021	5.89	5.89
	2020	4.57	4.57
Arshiya Lifestyle Limited	2021	5,233.80	6,060.33
	2020	5,000.93	6,852.03
Anomalous Infra Private Limited	2021	-	23.50
	2020	21.98	96.33
Unrivalled Infrastructure Private Limited	2021	-	-
	2020	-	0.11
Arshiya Infrastructure Developers Private Limited	2021	1.25	1.26
	2020	0.81	0.82

Notes to the financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Name of the Subsidiary	Year	Amount outstanding as on March 31,	Maximum amount outstanding during the year
Arshiya Panvel Logistics Services Private Limited	2021	-	0.03
	2020	-	-
Arshiya Panvel FTWZ Services Private Limited	2021	-	0.03
	2020	-	-
Arshiya Northern Projects Private Limited	2021	7.80	7.79
	2020	1.38	1.38
Arshiya 3PL Services Private Limited	2021	176.27	176.27
	2020	84.28	85.08
Arshiya Data Centre Private Limited	2021	10.53	10.53
	2020	10.00	10.00
AMD Business Support Services Private Limited	2021	2,518.75	2,518.75
	2020	-	-
Total	2021	**37,016.28**	
	2020	**34,508.19**	

64 Earnings per share:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Profit/(Loss) for the year (₹ in Lakh)	(10,028.03)	(1,06,555.14)
Add: Interest adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	-	5.32
Add: Share based payment	-	23.15
Total Profit/(Loss) for the year for diluted EPS (₹ in Lakh)	(10,028.03)	(1,06,526.67)
Number of equity shares		
Weighted average number of equity shares (Number)	25,86,51,257	24,70,79,124
Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	-	14,34,426
Add: Employee Stocks Options (ESOP)	-	15,22,580
Total Weighted average number of equity shares/OCRPS/ESOP	25,86,51,257	25,00,36,129
Nominal value per share (Amount in ₹)	2.00	2.00
Earnings per share – Basic and Diluted (Amount in ₹)	(3.88)	(43.13)

Note:

0% OCRPS and ESOP had an anti diluting effect on earning per share hence have not been consider for the purpose of computing dilutive earning per share during the previous year ended 31st March, 2020 .

Notes to the financial statements for the year ended 31st March, 2021

65 Taxation

65.1 Tax Reconciliation

(₹ in Lakh)

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Reconciliation of tax expense		
Profit / (Loss) before tax	(10,028.03)	(1,05,452.18)
Enacted income tax rate (%) applicable to the Company	26.00%	26.00%
Tax expenses calculated at enacted income tax rate	(2,607.29)	(27,417.57)
Related to Property plant & equipment	246.74	301.73
Effect of Expenses that are not deductible in determinig taxable profit	3,502.72	28,958.35
Effect of Income that are not considered in determinig taxable profit	(1,110.62)	(422.72)
Tax holiday benefit avail under section 80IAB of Income Tax Act, 1961	-	(1,419.79)
Effect fo unsued Tax Losses	(31.56)	-
Earlier Year's tax	-	1,102.96
Income tax expense recognised in statement of profit and loss	-	-

65.2 The Company has not recognised any deferred tax assets on deductible temporary differences, unused tax losses as it is not probable that the Company will have sufficient future taxable profit which can be available against the available tax losses. Further the Company is also claiming deduction under section 80IAB of the Income Tax Act,1961.

65.3 Unused tax losses for which no deferred tax assets has been recognised

(₹ in Lakh)

Assessment Year	**Business Loss**	**Available for utilization till**	**Unabsorbed Depreciation**
2014-2015	-	A.Y. 2022-2023	930.35
2015-2016	-	A.Y. 2023-2024	4,322.75
2016-2017	3,731.22	A.Y. 2024-2025	4,011.34
2017-2018	45,551.72	A.Y. 2025-2026	3,826.58
2018-2019	13,483.44	A.Y. 2026-2027	559.56
Total	**62,766.38**		**13,650.58**

(₹ in Lakh)

Assessment Year	**Long term Capital Loss**	**Available for utilization till**
2016-2017	1,658.88	A.Y. 2024-2025
2019-2020	526.93	A.Y. 2027-2028
Total	**2,185.81**	

Notes to the financial statements for the year ended 31st March, 2021

Deferred tax assets as at 31st March, 2021 ₹ 19,755.07 Lakh (31st March, 2020 - ₹ 35,955.28 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilized by the Company. Details of deferred tax assets are mentioned below:

(₹ in Lakh)

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Property, plant and equipment	5,317.53	5,644.71
Unabsorbed depreciation	(3,549.15)	(2,429.90)
Expense disallowable under the Income Tax act	(3,449.09)	(24,441.07)
Unabsorbed losses	(16,773.91)	(16,442.47)
Financial Instruments	(1,300.45)	1,713.45
Total Deferred tax assets	**(19,755.07)**	**(35,955.28)**

66 During the year, the Company has allocated certain common costs and expenses incurred by it, being the Holding Company, to its subsidiaries aggregating to ₹ 1,189.44 Lakh (31st March, 2020 - ₹ 1,064.34 Lakh,) based on management's estimates of such costs and expenses attributable to them. Hence, certain expenses stated under Employee Benefit expenses (Refer Note No. 35) and Other expenses (Refer Note No. 38) are presented as net of allocation of certain common costs and expenses.

67 Financial Risk Management

The Company's principal financial liabilities comprises of borrowings, trade and other payables and financial guarantees contracts. The main purpose of these financial liabilities is to manage for the Company's and subsidiaries's operations. The Company's financial assets comprises of investment, loans, trade and other receivables, cash and deposits that arises directly from its operations.

The Company's activities expose it to variety of financial risks including credit risk, liquidity risk and market risk. The Company's risks management assessment, management and processes are established to identify and analyze the risks faced by the Company to set up appropriate risks limits and controls, and to monitor such risks and compliances with the same. Risks assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Risk	**Exposure arising from**	**Measurement**	**Management**
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Regular review of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Unhedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Unhedged

The Company's risk management is carried out by a corporate finance team under the policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas, such as credit risk, interest rate risk.

(a) Credit Risk

The Company is exposed to credit risk, which is risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents as well as credit exposures to trade customers including outstanding receivables.

Notes to the financial statements for the year ended 31st March, 2021

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Credit risk is high as only few customers' account for majority of the revenue in the year presented. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

(b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The Company's objective is to, at all times; maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company limits its liquidity risk by ensuring regular monitoring of funds from trade and other receivables. The Company relies on assets light business model through monetization of assets and tie-up of construction funding and operating cash flows to meet its needs for funds.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Contractual maturities of financial liabilities

(₹ in Lakh)

Particulars	less than 1 year	1 to 5 years	More than 5 year
31st March, 2021			
Financial liabilities			
Borrowings	46,506.22	40,633.88	-
Trade payables	927.65	-	-
Creditors for Capital Goods	77.25	-	-
Financial guarantee obligations	437.38	422.99	-
Lease liabilities	46.80	130.74	
Other financial liabilities	33,499.47	-	-
Total	**81,494.77**	**41,187.61**	**-**
31st March, 2020			
Financial liabilities			
Borrowings	31,892.97	54,714.53	-
OCRPS (Equity and Liability Component)	-	-	800.00
Trade payables	1,002.56	-	-
Creditors for Capital Goods	120.10	-	-
Financial guarantee obligations	537.38	874.93	
Lease liabilities	97.91	77.02	
Other financial liabilities	21,298.80	-	-
Total	**54,949.72**	**55,666.48**	**800.00**

(c) Market Risk

Market Risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: 1) Foreign currency risk and 2) Interest rate risk.

1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flow or an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

Notes to the financial statements for the year ended 31st March, 2021

1.1 Foreign currency risk exposure

(i) 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 INR
		(Amount in Lakh)	(₹ in Lakh)
Trade Receivables			
USD	31st March, 2021	0.07	5.50
	31st March, 2020	0.13	9.52
EUR	31st March, 2021	3.63	312.67
	31st March, 2020	1.62	134.79
Security Deposit from customers			
USD	31st March, 2021	1.54	113.12
	31st March, 2020	5.47	412.35

1.2 Sensitivity

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(₹ in Lakh)

Particulars	Increase/(decrease) in profit before tax	
	As at 31st March, 2021	As at 31st March, 2020
FX rate - increase by 1% on closing rate of reporting date	2.05	(2.68)
FX rate - (decrease) by 1% on closing rate of reporting date	(2.05)	2.68

The above amounts have been disclosed based on the accounting policy for exchange differences.

2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the Company's borrowings is fixed rate borrowings carried at amortised cost, therefore not subject to interest rate risk as defined in IND AS - 107, since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company's interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's borrowings at the variable rate were mainly denominated in Rupees.

2.1 Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Variable rate borrowing	1,463.41	1,463.41

Notes to the financial statements for the year ended 31st March, 2021

2.2 Sensitivity of Interest

Profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of changes in interest rates.

(₹ in Lakh)

Particulars	Increase/(decrease) in profit before tax	
	31st March, 2021	31st March, 2020
50 bps increase the profit before tax by	(7.32)	(7.32)
50 bps decrease the profit before tax by	7.32	7.32

68 Fair Value Measurements

(i) Financial Instruments by Category

(₹ in Lakh)

Particulars	Carrying Amount		Fair Value	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Financial Assets				
Amortised cost				
Trade Receivables	24,773.53	22,967.98	24,773.53	22,967.98
Loans	22,642.77	19,396.38	22,642.77	19,396.38
Cash and Cash Equivalents	38.04	9.67	38.04	9.67
Other Bank Balances	15.03	16.15	15.03	16.15
Other Financial Assets	4,030.88	3,647.85	4,030.88	3,647.85
Total	**51,500.25**	**46,038.03**	**51,500.25**	**46,038.03**
Financial Liabilities				
Amortised cost				
Borrowings	86,884.77	86,247.29	86,884.77	86,247.29
Trade Payables	927.65	1,002.56	927.65	1,002.56
Creditors for Capital Goods	77.25	120.10	77.25	120.10
Security Deposits	113.12	412.35	113.12	412.35
Financial guarantee obligations	860.37	1,412.31	860.37	1,412.31
Lease Liabilities	177.54	174.93	177.54	174.93
Other financial liabilities	33,386.35	20,886.45	33,386.35	20,886.45
Total	**1,22,427.05**	**1,10,255.99**	**1,22,427.05**	**1,10,255.99**

(ii) Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

(a) The Company assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Notes to the financial statements for the year ended 31st March, 2021

(b) The fair values for loans to subsidiaries, security deposits and other financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(c) The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(d) Equity Investments in subsidiaries are stated at cost.

(iii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard.

(a) Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

(b) Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

69 Capital Management

For the Company's objective when managing capital is to safeguard the Company's ability to continue going concern in order to provide the return to shareholders and benefit to other stakeholders and to maintain an optional capital structure to reduce the cost of capital, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares (if permitted). The Company monitors capital using a gearing ratio, which is total debts divided by total equity.

As stated in Notes to accounts, the Company is also having scheme of arrangements to reorganize the capital structure.

(₹ in Lakh)

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Total Debts	1,19,654.36	1,06,682.31
Total Equity	60,670.89	70,337.26
Total debt to equity ratio (Gearing ratio)	**1.97**	**1.52**

Notes:-

(i) Debt is defined as non-current and current borrowings including current maturities of borrowings and interest accrued.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

Notes to the financial statements for the year ended 31st March, 2021

Debt Covenants

Under the terms of Restructuring Agreement (RA), the Company is required to comply with, interalia, following financial covenants:

Without prior approval of lender, the Company shall not:

(a) **Loans, debenture & charge** - Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.

(b) **Dividend on equity shares** - declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA.

(c) **Investments by Borrower** - make any investments by way of deposits, loans, share capital etc. in any concern or elsewhere without prior approval of the Lender / Business Monitoring Committee.

In order to achieve this overall objective, the capital management, amongst other thing, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements, there have been breaches in the financial covenants of interest bearing loans and borrowing in the current period and previous period.

The Company has not proposed any dividend in last three year in view of losses incurred.

70 Revenue from contracts with customers (IND AS 115)

The Company disaggregates revenue from contracts with customers by type of services, geography and timing of revenue recognition.

Revenue disaggregation by type of services is given note no. 32.

Revenue disaggregation by geography is as follows:

(₹ in Lakh)

Particulars	**Year Ended 31st March, 2021**	**Year Ended 31st March, 2020**
India	6,720.59	23,868.15
Outside India	-	-
Total	**6,720.59**	**23,868.15**

Revenue disaggregation by timing of revenue recognition is as follows:

(₹ in Lakh)

Geography	**Year Ended 31st March, 2021**	**Year Ended 31st March, 2020**
Services transferred over time	5,227.64	4,490.11
Consideration on Lease of Land	1,492.95	19,378.04
Total	**6,720.59**	**23,868.15**

Notes to the financial statements for the year ended 31st March, 2021

Reconciliation of Revenue from Operation with contract price:

(₹ in Lakh)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Contract Price	8,055.59	25,468.41
Reduction towards reimbursement of Income billed to customer on behalf of the Subsidiary	1,335.00	1,600.26
Revenue from Operations	**6,720.59**	**23,868.15**

Transaction Price allocated to remaining performance obligations:

The aggregate amount of the transaction price allocated to the performance obligations that are to be satisfied as of 31st March, 2021 amounts to ₹ 2,109.59 Lakh (31st March, 2020 - ₹ 4,609.59 Lakh) as per Lease deed. The remaining performance obligation are subject to several factors including Panvel storage revenue, cash flow cover, collections within 90 days or mutually agreed. The management of the Company expects that 100% of the unsatisfied performance obligation will be recognised as revenue during the next reporting period amounting to ₹ 2,109.59 Lakh with balance in future one reporting periods thereafter.

71 During the previous year ended 31st March, 2020, the shareholders of the Company have approved re-classification of the authorised share capital from existing Authorised Share Capital of ₹ 6,050.00 Lakhs divided into 24,75,00,000 equity shares of ₹ 2/- each and 1,10,00,000 Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each has been reclassified into ₹ 6,050.00 Lakhs divided into 28,75,00,000 equity shares of ₹ 2/- each and 30,00,000 Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each.

During the previous year ended 31st March, 2020, issuance of 80,000 Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS) 2019 Series I of face value of ₹ 10/- each at a price of ₹ 1,000/- each amounting to ₹ 800 Lakhs towards part settlement of dues of EARC.

During the year ended 31st March, 2021, the Company has allotted 25,00,000 equity shares to a lender upon conversion of 80,000 Zero percent Optionally Convertible Redeemable Preference Shares (OCRPS) and allotment of 17,00,000 equity shares to eligible employees upon exercised under the Arshiya Limited Employee Stock Option Scheme 2019. Post allotment of aforesaid shares, the paid up capital of the Parent Company have been increased to ₹ 5,245.52 Lakh divided into equity shares 26,22,75,915 of face value of ₹ 2/- each

72 The lender of ANFL and ARIL have filed petition against respective companies for recovery of dues at NCLT under Insolvency and Bankruptcy Code, 2016. The lender of ANFL has also called upon the Company as a corporate guarantor to the said loan. The matter is pending at pre-admission stage.

73 The lender of the Company has filed petition against the Company for recovery of dues at Debt Recovery Tribunal (DRT). The matter is subjuidice.

74 The balance confirmations of trade receivables and trade payables - During the course of preparation of financial statements, e-mails have been sent to various parties, in respect of trade receivables and trade payables, etc. by the Company with a request to confirm their balances out of which only few parties have responded, accordingly, the possible adjustment, if any, required in the financial statements will be accounted as and when the same is determinable.

75 The Company has sent email to all its lenders for independent confirmation of their outstanding as on 31st March 2021 aggregating ₹ 1,18,269.24 Lakh with a request to confirm their balances directly to our statutory auditors. Out of these, the Company has received statements / confirmations amounting to ₹ 1,01,115.89 Lakh which have been provided to statutory auditors. The Company is confident that there will not be significant changes in its liabilities.

76 During the previous year ended 31st March 2020, Central Bureau of Investigation conducted a search on the Company based on a complaint of UCO Bank, which is no longer a lender to the Group since 31st March 2017. In this regard, the Company has filed a petition with the Hon'ble High Court of Bombay. The Hon'ble High Court of Bombay has given interim relief in favour of the Company whereby all the adverse actions, if any, has been stayed by the Hon'ble High Court as prayed and the matter is now sub-judice.

Notes to the financial statements for the year ended 31st March, 2021

77 Impact relating to Global health pandemic Coronavirus (COVID) 2019:

World Health Organisation (WHO) declared the outbreak of Coronavirus Disease (COVID-19) a global pandemic on 11th March, 2020. Consequent to this, the Government of India declared lockdown on 23rd March, 2020. The operations of the Company are categorized under essential services and were uninterruptedly functional even during lockdown, despite being marginally impacted due to various manpower issues like shortage of staff and labour since certain areas were under containment zone and due to travel restrictions. The Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets, as at 31st March 2021, comprising investments, inventories and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

78 The Parliament of India has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post employment. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

79 Previous year's figures have been regrouped / rearranged wherever necessary to comply with requirement of Ind AS and Schedule III.

Notes forming part of financial statements

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th June, 2021

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

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of Arshiya Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of **Arshiya Limited** (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2021, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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, of their consolidated state of affairs of the Company as at 31st March, 2021, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

2. *As mentioned in the Note No. 50 of the consolidated financial statements, the Group has provided penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%. The interest provisions in earlier period / years were accounted based on the confirmations received from EARC at 8% penal interest rate. It has resulted in the short provision of interest amounting to ₹ 3,070.96 Lakh till the year ended 31st March 2020 and for the year ended 31st March 2021 amounting to ₹ 3,908.25 Lakh, which is not in compliance with Ind AS-23 "Borrowing Cost" read with Ind AS-109 "Financial Instruments". In aggregate interest provisions are lower by ₹ 6,979.21 Lakh till 31st March 2021. Had interest been recognised at its documented rate, finance cost for the year ended 31st March 2021 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.*

3. *As mentioned in Note No. 53 of the consolidated financial statements, a subsidiary company failed to make payment as prescribed as per one time settlement with lender. As a result, event of default has occurred and the entire debt prior to date of settlement become payable along with interest. The subsidiary has not reversed the gain recorded in earlier year and not provided for additional interest till 31st March 2020 ₹ 5,975.95 Lakh and for the year ended 31st March, 2021 ₹ 3,036.20 Lakh, aggregating to ₹ 9,012.15 Lakh till 31st March, 2021. Had the subsidiary Company reversed the gain recorded in earlier year and provided for additional interest, exceptional item would have been lower by ₹ 6,604.55 Lakh and finance cost would have been higher by ₹ 9,012.15 Lakh by equivalent amount as mentioned above, having consequential impact on total comprehensive income and other equity.*

4. We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

5. We draw attention to the Note no. 47 (a) of the consolidated financial statements, the Holding Company and one of the subsidiary company have accumulated losses as at 31st March, 2021, unable to pay its dues to operational and financial creditors, the holding company and that subsidiary has defaulted in repayment dues to lenders and started recovery proceeding, some of the lenders have been called back their loans, lenders has applied before NCLT under Insolvency and Bankruptcy Code, 2016. These matters including other matters as set out in the notes indicate that a material uncertainty exists that may cast significant doubt about their ability to continue as a going concern. The management's plan as a developer of the business indicate that monetization will happen periodically and staggered but significant payments will be received to streamline the cash flows. These along with other developments in the sector are detailed in the notes. The said assumption of going concern is dependent upon Holding company and subsidiary plan to monetize its assets in timely manner and generate cash flow to meet its obligations. Our opinion is not modified in respect of the said matter.

6. Emphasis of Matters

6.1 The auditor of two subsidiaries in their report on the respective financial statements of those subsidiaries have reported in their audit report, the following paragraphs :-

We draw attention to Note 66 and 67 of the consolidated financial statements regarding recoverability of amounts aggregating to ₹ 1,438.48 Lakh as at 31st March, 2021. The Management of the Company is of the view that these amounts are considered to be good and fully recoverable and accordingly, no provision is required to be made in view of the reasons stated in the foregoing note.

6.2 We draw attention to the Note no. 51 and 52 of the consolidated financial statements, pending execution of restructuring agreement for assignment of parent company's debt to Edelweiss Asset Reconstruction Company (EARC), the parent company has continued to provide normal interest for the year ended 31st March, 2021 in line with major terms negotiated with EARC in case of other agreements. In view of the management, no penal interest needs to be provided for the above said debt presently.

6.3 We draw attention to the Note no. 81 of the consolidated financial statements, during the course of preparation of consolidated financial statements for the year ended 31st March 2021, e-mails have been sent to lenders by the Group with a request to confirm their balances directly to auditors. As at 31st March 2021, direct balance confirmations of total borrowings including interest accrued (including current maturities and current borrowings), aggregating to ₹ 2,38,252.45 Lakh have not been received. Out of these, the Group has received statements / confirmations amounting to ₹ 1,86,701.70 Lakh which have been provided to us. The management is confident and is of the view that there will not be any material variation in it's liabilities.

6.4 As at 31st March, 2021 balance confirmation of capital advance amounting to ₹ 1,001.64 Lakh have not been received by one of the subsidiary company.

Our opinion on the consolidated financial statements is not modified in respect of these matters.

Key Audit Matters

7. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year ended 31st March 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion and Material Uncertainty Related to Going Concern section,* we have determined the matters described below to be key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How Our Audit Addressed The Key Audit matter
1.	**Litigations matters and contingent liabilities**	
	The Holding Company and it's subsidiaries are subject to number of significant litigations. These subsidiaries are Arshiya Northern FTWZ Limited and Arshiya Rail Infrastructure Limited, collectively known as Arshiya Group. In such litigation matters certain lenders and creditors have filed winding up petitions/cases/other legal proceedings against the Holding Company's and its subsidiaries and its Directors for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. The financial implication of such claims will be disclosed and recognized as and when finality in the matter is reached. The amounts of litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment. [Refer note no. 43.1 & 70]. Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined and it has been considered as a key audit matter.	Our audit procedures included the following • Assessing the procedures implemented by the Holding company and its subsidiaries to identify and gather the risks it is exposed to. • Discussion with the management on the development in theses litigations during the year ended 31st March, 2021. • Obtaining an understanding of the risk analysis performed by the Group, with the relating supporting documentation. • Verification that the accounting and /or disclosures as the case may be in the consolidated financial statements is in accordance with the assessment of management.

Information Other than the Financial Statements and Auditor's Report Thereon

8. The Holding Company's Board of Directors is responsible for the other information. The other information comprises in the Annual report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after that date.

   Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding 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 preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated Statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act read with relevant rules issued there under. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

   In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

   The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

    As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended 31st March 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

11. We did not audit the financial statements / financial information of 6 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 55,432.11 Lakhs as at 31st March, 2021, total revenues of ₹ 17,309.89 Lakhs and net cash outflows amounting to ₹ (231.01) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports 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 subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

    Our opinion on the of the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

12. 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;

(b) *Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above,* in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts, maintained for the purpose of preparation of the consolidated financial statements;

(d) *Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above,* in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules there under;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiaries, none of the directors of the Group companies are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The matters described in paragraphs above in 5 under the Material Uncertainty Related to Going Concern, in our opinion, may have an adverse effect on the functioning of the Parent Company and one of the Subsidiary Company;

(g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**;

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

(i) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, no remuneration for the year ended 31st March, 2021 has been paid / provided by the Holding Company, its subsidiaries incorporated in india to their directors hence the provisions of section 197 of the Act is not applicable .

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

i. The consolidated financial statements discloses the impact of pending litigations as at 31st March, 2021 on the consolidated financial position of the Group – Refer Note no. 43 (i) and 70 to the consolidated financial statements.

ii. The Group does not have any long term contracts including derivative contracts and hence there are no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March, 2021 and in case of subsidiary companies incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended 31st March, 2021.

For Chaturvedi & Shah LLP
Chartered Accountants
Registration No. 101720W/ W100355

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 21109859AAAADA3198

Place: Mumbai
Date: 30th June, 2021

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 12(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Limited on the consolidated financial statements for the year ended 31st March 2021.

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

In conjunction with our audit of consolidated financial statements of **Arshiya Limited** ("the Holding Company") as of 31st March, 2021 we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and Subsidiarity companies which are companies incorporated in India

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiaries which incorporated in India is responsible for establishing and maintaining internal financial controls based on the Internal control with reference to consolidated financial statements criteria established by these Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's and subsidiaries which are incorporated in India, internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiaries incorporated in India, internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

Based on our audit and information & explanation provided by the management, the material weaknesses have been identified in the Company's internal financial controls with reference to consolidated financial statements as at 31st March, 2021 (i) with regard to providing penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%, (ii) Non reversal of gain recorded in earlier year due to failure to make payment as prescribed as per one time settlement with lender.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company and its subsidiaries which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March, 2021, based on the internal control with reference to consolidated financial statements criteria established by the Holding 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 except for the possible effects of the material weakness described in the basis of qualified opinion paragraph above on the achievement of the objectives of the control criteria.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of consolidated financial statements of the Company for the year ended 31st March, 2021, and these material weakness do not affect our opinion on the consolidated financial statements of the Company.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries which are companies incorporated in India, insofar as it relates to, six subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India. Our opinion is not modified in respect of the said matter.

For Chaturvedi & Shah LLP
Chartered Accountants
Registration No. 101720W/ W100355

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 21109859AAAADA3198

Place: Mumbai
Date: 30th June, 2021

Consolidated Balance Sheet as at 31st March, 2021

(₹ in Lakh)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	7 (a)	222,209.88	242,168.67
(b) Right of use assets	7 (b)	13,144.71	18,009.99
(c) Capital Work-in-Progress		135.00	-
(d) Goodwill on Consolidation		20.43	19.17
(e) Intangible Assets	8	2,639.45	3,330.19
(f) Intangible Assets Under Development		60.00	60.00
(g) Financial Assets			
(i) Loan	9	325.00	325.00
(ii) Other Financial Assets	10	2,210.16	1,955.21
(h) Other Non-Current Assets	11	2,459.35	2,724.83
		243,203.98	**268,593.06**
Current assets			
(a) Inventories	12	12,537.34	12,537.34
(b) Financial Assets			
(i) Trade Receivables	13	2,913.94	2,729.88
(ii) Cash and Cash Equivalents	14	949.14	916.22
(iii) Bank Balances Other than (ii) above	15	290.12	305.49
(iv) Loan	16	-	307.97
(v) Other Financial Assets	17	6,416.07	6,462.00
(c) Other Current Assets	18	5,887.71	3,436.41
		28,994.32	**26,695.31**
(d) Assets held for sale	19	18,845.39	15,317.13
Total Assets		**291,043.69**	**310,605.50**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	20	5,245.52	5,161.52
(b) Other Equity	21	(29,039.45)	7,781.90
		(23,793.93)	**12,943.42**
		(23,793.93)	**12,943.42**
Equity Component of 0% Optionally Convertible Redeemable Preference Shares (OCRPS) issued by subsidiary held outside Group		519.09	519.09
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	88,675.74	110,212.35
(ii) Lease Liabilities	23	10,401.83	13,930.20
(iii) Other Financial Liabilities	24	893.12	125.30
(b) Provisions	25	145.25	201.67
(c) Other Non-Current Liabilities	26	162.25	1,277.78
		100,278.19	**125,747.30**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	27	12,452.21	12,487.47
(ii) Trade Payables	28		
Micro and Small Enterprises		351.42	318.53
Others		2,169.23	2,525.90
(iii) Lease Liabilities	29	4,604.37	5,149.50
(iv) Other Financial Liabilities	30	182,286.16	142,156.00
(b) Other Current Liabilities	31	4,488.81	5,063.85
(c) Provisions	32	20.12	25.79
		206,372.32	**167,727.04**
(d) Liabilities associated with assets classified as held for sale	33	7,668.02	3,668.65
Total Equity and Liabilities		**291,043.69**	**310,605.50**
Notes to the financial statements	1 to 85		

As per our report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th June, 2021

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

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	Notes	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Continuing Operations			
INCOME			
Revenue from operations	34	22,064.03	29,448.35
Other income	35	5,389.11	1,317.06
Total Income (I)		**27,453.14**	**30,765.41**
EXPENSES			
Material handling, value optimisation services and other charges		1,013.79	1,021.59
Freight expenses	36	5,849.95	11,589.12
Terminal expenses		281.33	440.42
Other operating expenses		142.77	191.44
Employee benefits expense	37	2,433.86	3,103.03
Finance costs	38	38,460.21	33,625.39
Depreciation and amortization expense	39	12,082.76	14,284.97
Other expenses	40	3,778.53	3,694.87
Total Expenses (II)		**64,043.20**	**67,950.83**
Profit/(loss) before exceptional items and tax (I-II)		(36,590.06)	(37,185.42)
Exceptional Items (net)	41	-	7,810.00
Profit/(loss) before tax		**(36,590.06)**	**(44,995.42)**
Tax expense:	74		
Current tax		8.64	6.97
Tax relating to earlier periods		-	1,102.96
Profit/(loss) for the year from Continuing Operations		**(36,598.70)**	**(46,105.35)**
Profit/(loss) for the year from Discontinuing Operations	42	(224.44)	(111.10)
Net Profit/(loss) for the year		**(36,823.14)**	**(46,216.45)**
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit and loss:			
Remeasurement of gains / (losses) on defined benefit plans		14.45	55.26
Other Comprehensive income for the year		**14.45**	**55.26**
Total Comprehensive Income for the year		**(36,808.69)**	**(46,161.19)**
Profit for the year attributable to:			
Owner of the parent		(36,823.14)	(46,216.45)
Non-controlling interest		-	-
		(36,823.14)	**(46,216.45)**
Other comprehensive income for the year attributable to:			
Owner of the parent		14.45	55.26
Non-controlling interest		-	-
		14.45	**55.26**
Total comprehensive income for the year attributable to:			
Owner of the parent		(36,808.69)	(46,161.19)
Non-controlling interest		-	-
		(36,808.69)	**(46,161.19)**
Earnings Per Equity Share (EPS) in ₹ (for continuing operation) (face value of ₹ 2 each)			
Basic		(14.15)	(18.66)
Diluted		(14.15)	(18.66)
Earnings Per Equity Share (EPS) in ₹ (for Discontinuing operation) (face value of ₹ 2 each)			
Basic		(0.09)	(0.04)
Diluted		(0.09)	(0.04)
Earning per Equity share (EPS) in ₹ (for continuing and discontinuing operation) (face value of ₹ 2 each)	73		
Basic		(14.24)	(18.70)
Diluted		(14.24)	(18.70)

Notes to the financial statements 1 to 85

As per our report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th June, 2021

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

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Consolidated Statement of changes in Equity for the year ended 31st March, 2021

A. Equity Share Capital (Refer Note No. 20)

Particulars	₹ in Lakh
Equity Shares of ₹ 2 each issued, subscribed and paid up	
As at 1st April, 2019	**4,872.29**
Issue of Equity Shares	289.23
As at 31st March, 2020	**5,161.52**
Issue of Equity Shares	84.00
As at 31st March, 2021	**5,245.52**

B. Other Equity (Refer Note No. 21)

(₹ in Lakh)

Particulars	Other Reserves				Reserve and Surplus				Total
	0% Unsecured Compulsorily Convertible Debentures	Equity Component of Compounded Financial Instruments	Capital Reserve	Amalgamation Reserve	Securities Premium Account	Employee Stock Options Reserve	General Reserve	Retained Earnings	
Balances as on 1st April, 2019	**-**	**-**	**1.58**	**124.80**	**233,072.16**	**-**	**940.18**	**(185,545.26)**	**48,593.46**
Profit/(loss) for the year	-	-	-	-	-	-	-	(46,216.45)	(46,216.45)
Other comprehensive income	-	-	-	-	-	-	-	55.26	55.26
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(46,161.19)**	**(46,161.19)**
Fair valuation of OCRPS	-	690.91	-	-	-	-	-	-	690.91
Issue of CCDs	4,557.72	-	-	-	-	-	-	-	4,557.72
On issue of equity shares	(4,557.72)	-	-	-	4,338.48	-	-	-	(219.24)
Share issue expenses	-	-	-	-	(13.13)	-	-	-	(13.13)
Share based payment	-	-	-	-	-	45.01	-	-	45.01
Others (net)	-	-	-	-	-	-	-	288.37	288.37
Balances as at 31st March, 2020	**-**	**690.91**	**1.58**	**124.80**	**237,397.51**	**45.01**	**940.18**	**(231,418.09)**	**7,781.90**
Profit/(loss) for the year	-	-	-	-	-	-	-	(36,823.14)	(36,823.14)
Other comprehensive income	-	-	-	-	-	-	-	14.45	14.45
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(36,808.69)**	**(36,808.69)**
On issue of equity shares	-	(690.91)	-	-	1,011.63	(261.63)	-	-	59.09
Others (net)	-	-	-	-	-	-	-	(288.37)	(288.37)
Share based payment	-	-	-	-	-	216.62	-	-	216.62
Balances as at 31st March, 2021	**-**	**-**	**1.58**	**124.80**	**238,409.14**	**-**	**940.18**	**(268,515.15)**	**(29,039.45)**

Notes to the financial statements 1 to 85

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th June, 2021

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

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2021

(₹ in Lakh)

Particulars		Year Ended 31st March, 2021	Year Ended 31st March, 2020
Cash flow from operating activities			
Profit/(Loss) before tax		**(36,590.06)**	**(44,995.42)**
Adjustments for:			
Bad debts		0.50	373.77
Sundry balances written off / back (net)		881.80	(64.80)
Discarding / written off of Property, Plant and Equipment and Intangible assets		-	26.50
Gain on disposal of Property, Plant and Equipment		(1,907.37)	(0.38)
Provision for doubtful debts/Expected credit loss		157.97	109.82
Settlement of claims		-	7,810.00
Gain recognised on sale of subsidiaries		-	(5.59)
Capital advances written off		-	128.25
Depreciation and amortization expense		12,082.76	14,284.97
Finance costs		38,460.21	33,625.39
Government grant income		(1,499.43)	(365.49)
Financial guarantee income		(15.00)	(15.00)
Financial assets carried at amortised cost		(234.86)	(214.67)
Gain on derecognised of Liability Component		(16.13)	-
Gain on Lease modification		(28.75)	(2.51)
Rent concession		(27.49)	-
Interest income on fixed deposits		(22.26)	(39.73)
Interest income on Loan		(45.50)	(266.82)
Interest income on tax refund		(62.82)	(246.80)
Share based payment		216.62	45.01
Foreign exchange differences (net)		117.20	(34.04)
Operating profit before working capital changes		**11,467.39**	**10,152.46**
Adjustments for			
(Increase)/Decrease in financial and other assets		(3,462.92)	4,715.92
(Decrease) in financial and other liabilities		(1,528.04)	(7,364.70)
Cash generated from operations		**6,476.43**	**7,503.68**
Direct taxes paid (net of refunds)		344.51	644.93
Net cash flow from continuing operating activities		**6,820.94**	**8,148.61**
Net cash flow from discontinuing operating activities		(231.40)	(76.99)
Net cash flow from operating activities - Continuing and Discontinuing Operations	**(A)**	**6,589.54**	**8,071.62**
Cash flow from investing activities			
Purchase of property, plant and equipment		(50.62)	(29.23)
Purchase of Capital work in progress and Intangible assets under development		(135.00)	-
Proceeds from sale of property, plant and equipment		14,947.98	0.70
Gain on sale of investment in subsidiaries		-	5.59
Capital advances		(48.00)	(10.00)
Loans received back/given to others (net)		307.97	(307.84)
Interest income on Loan to others		-	266.82
Interest received		18.47	19.53
Net cash flow from investing activities		**15,040.80**	**(54.43)**
Net cash flow from investing activities from Discontinuing Operations		(2,279.27)	(2,886.45)
Net cash flow from investing activities - Continuing and Discontinuing Operations	**(B)**	**12,761.53**	**(2,940.88)**

Consolidated Cash Flow Statement for the year ended 31st March, 2021

(₹ in Lakh)

Particulars		Year Ended 31st March, 2021	Year Ended 31st March, 2020
Cash flow from financing activities			
Issue of Equity shares		34.00	-
Share issue expenses		-	(13.13)
Repayment of non-current borrowings		(5,661.39)	(11.37)
Short-term borrowings (net)		(30.37)	(36.99)
Increase/decrease in other bank balances		15.37	89.05
Lease liability paid		(5,786.62)	(5,604.81)
Interest paid		(10,358.12)	(2,582.08)
Net cash flow from financing activities		**(21,787.13)**	**(8,159.33)**
Net cash flow from financing activities from Discontinuing Operations		2,197.04	3,466.85
Net cash flow from financing activities - Continuing and Discontinuing Operations	**(C)**	**(19,590.09)**	**(4,692.48)**
Net (decrease)/increase in cash and cash equivalents (A + B + C)		**(239.02)**	**438.26**
Cash and cash equivalents as at the beginning of the year from continuing operations		916.22	990.56
Cash and cash equivalents as at the beginning of the year from discontinuing operations		512.60	-
Less: Cash and cash equivalents from discontinuing operations		(240.66)	(512.60)
Cash and cash equivalents as at the end of the year from continuing operations (Refer Note No. 14)		**949.14**	**916.22**

Change in liabilities arises from financing activities (₹ in Lakh)

Particulars	Long term Borrowings	Short term Borrowings
As at 1st April, 2020	170,907.77	12,487.47
Less: Transaction cost	492.62	-
Less: Conversion of Liability Component of Compound Financial Instruments (OCRPS) into Equity	(114.41)	-
Add/Less: Non cash items	600.49	(4.89)
Less: Cash flow	(5,661.39)	(30.37)
As at 31st March, 2021	166,225.08	12,452.21

Notes:

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

Notes to the financial statements 1 to 85

As per our report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th June, 2021

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

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Notes to the Consolidated financial statements for the year ended 31st March, 2021

1 Corporate Information

Arshiya Limited (hereinafter referred to "the Parent Company" or "the Company") together with its subsidiaries (collectively referred to as "Group") is a flagship Company of Arshiya Group. It is pioneering Unified Supply Chain and integrated logistics infrastructure solution provider Group headquartered in India. The group businesses comprises of Free Trade and Warehousing Zone (FTWZ), Rail & Rail Infrastructure, Indian Container Depot (ICD), Domestic Warehousing, Forwarding, Transport & Handling, Supply Chain and Management solutions, additional sector i.e. Electronic Hardware and Software (inculding IT / ITES).

These statements comprises of Consolidated Financial Statements ("CFS") of Arshiya limited (CIN: L93000MH1981PLC024747) and its subsidiaries for the year ended 31st March, 2021. The Company is a public company in India and is incorporated on 3rd July, 1981 under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

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

The Consolidated Financial Statements for the year ended 31st March, 2021 were approved and adopted by board of directors in their meeting held on 30th June, 2021.

2 Basis of preparation of consolidated financial statement

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs ("MCA") pursuant to the Section 133 of the Companies Act, 2013 ("the Act") read with of the Companies (Indian Accounting Standards) Rules 2015, (as amended) and other relevant provisions of the Act.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value / amortized cost.

The consolidated financial statements are presented in Indian Rupees (₹) which is the Group's functional and presentation currency and all values are rounded to the nearest lakh as per the requirement of schedule III of the Act, unless when otherwise indicated.

3 Basis for Consolidation

The consolidated financial statements comprise of the financial statements of the Parent Company and its subsidiaries as at 31st March, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements from the date the Group obtains control and assets, liabilities, income and expenses of a subsidiary disposed off during the year are included in the consolidated financial statements till the date the Group ceases to control the subsidiary.

The CFS includes the Financial Statements of the Parent Company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

S. No.	Name of the entity	Country of Incorporation	Proportion of interest (including beneficial interest)/ voting power (either directly/indirectly or through subsidiaries)	
			31st March, 2021	31st March, 2020
	Direct Subsidiaries:			
(i)	Arshiya Rail Infrastructure Limited (ARIL)	India	100%	100%
(ii)	Arshiya Northern FTWZ Limited (ANFL)	India	100%	100%
(iii)	Arshiya Lifestyle Limited (ALL)	India	100%	100%
(iv)	Arshiya Logistics Services Limited (ALSL)	India	100%	100%
(v)	Arshiya Technologies (India) Private Limited (ATIPL)	India	100%	100%
(vi)	Anomalous Infra Private Limited (AIPL)	India	100%	100%
(vii)	Arshiya Infrastructure Developers Private Limited (AIDPL)	India	100%	100%
(viii)	Unrivalled Infrastructure Private Limited (UIPL)	India	100%	100%
(ix)	Arshiya Northern Projects Private Limited (ANPPL)	India	100%	100%
(x)	Arshiya Data Centre Private Limited (ADCPL)	India	100%	100%
(xi)	AMD Business Support Services Private Limited (AMD) (w.e.f. 8th April, 2020)	India	100%	Nil
	Indirect Subsidiaries:			
	Held through Arshiya Logistics Services Limited:			
(xii)	Arshiya 3PL Services Private Limited (A3PL)	India	100%	100%
(xiii)	Arshiya Panvel Logistics Services Private Limited (APLSPL)	India	100%	100%
	Held through Arshiya Lifestyle Limited:			
(xiv)	Arshiya Panvel FTWZ Services Private Limited (APFSL)	India	100%	100%

4 Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The difference between the cost of investment in the subsidiaries and the Parent's share of net assets at the time of acquisition of control in the subsidiaries is recognised in the consolidated financial statement as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.

(c) Intra-Group balances and transactions, and any unrealized income and expenses arising from intra Group transactions, are eliminated in preparing the consolidated financial statements.

(d) Consolidated statement of Profit and Loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(e) For the acquisitions of additional interests in subsidiaries, where there is no change in the control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests, the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling

Notes to the Consolidated financial statements for the year ended 31st March, 2021

interest is also recognised in equity. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit and loss. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(f) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

(g) Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, if any, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

5 Significant Accounting Policies

5.1 Property, Plant and Equipment

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

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

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

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

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

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

5.2 Intangible Assets

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

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

Railways License fees is amortized over a period of twenty years being the license period as per agreement.

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

Notes to the Consolidated financial statements for the year ended 31st March, 2021

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

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

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

Intangible assets under development includes cost of computer software under installation / under development as at the balance sheet date.

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

5.3 Leases

The Group assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases). For these short term leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using its incremental borrowing rate as the discount rate.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

ROU assets and Lease liability have been separately presented in the Balance Sheet note 7b, 23 & 29 respectively and lease payments have been classified as financing cash flows.

5.4 Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories comprises of cost of land and incidental cost thereto, cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the first in first out basis.

5.5 Cash and cash equivalents

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

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

Notes to the Consolidated financial statements for the year ended 31st March, 2021

5.6 Impairment of assets

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

5.7 Financial instruments – initial recognition, subsequent measurement and impairment

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

(i) Financial assets -Initial recognition and measurement

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

(ii) Financial assets - Subsequent measurement:

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

(a) Financial assets at fair value

(b) Financial assets at amortized cost

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

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

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

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

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

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

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

Notes to the Consolidated financial statements for the year ended 31st March, 2021

Financial assets - Derecognition

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

(a) The rights to receive cash flows from the asset have expired, or

(b) The Group has transferred its rights to receive cash flow from the asset.

(iii) Financial liabilities - Initial recognition and measurement:

The financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Effective interest method

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

Financial liabilities - Subsequent measurement

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

Financial Liabilities - Financial guarantee contracts

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

Financial Liabilities - Derecognition

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

Compound Instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

5.8 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can

Notes to the Consolidated financial statements for the year ended 31st March, 2021

be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the consolidated statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

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

5.9 Dividend Distribution

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

5.10 Revenue recognition

Revenue is recognized upon transfer of control of goods or rendering of services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services.

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when the it becomes unconditional.

Lease income is recoginsed in the Consolidated Statement of Profit and Loss on straight line basis over the lease terms, unless there is another systematic basis which is more representative of the time pattern of the lease.

Revenue are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

(a) Free Trade Warehousing Zone (FTWZ)

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

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

(b) Inland Container Depot (ICD)

(i) Income from Container handling, storage and Rail and Road transportation are recognised on proportionate completion of the movement and delivery of goods to the party/designated place.

(ii) Income from ground rent is recognised for the period the container is lying in the ICD area.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(c) Rail Transport Operations

(i) Revenue from sale of services e.g. rail freight income is recognized as per the terms of contracts with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

(ii) **Measurement of revenue:** Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(iii) Revenue from handling and other ancillary services is recognised at the time of rendering of service which is at the time of loading/unloading of container/cargo.

(d) Domestic Warehousing

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

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

(f) Dividend income is recognised when the right to receive the payment is established, which is generally when shareholders approve the payment of dividend.

Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer of services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made Contract liabilities are recognised as revenue when the Group performs under the contract.

5.11 Foreign currency reinstatement and translation:

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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

Notes to the Consolidated financial statements for the year ended 31st March, 2021

5.12 Employee benefits

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

(a) Defined Contribution Plan

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

(b) Defined Benefit Plan

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

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

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

5.13 Taxes on Income

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

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

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

5.14 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

5.15 Earnings per Share

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

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

5.16 Current and non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

The Group has presented non-current assets and current assets, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Expected to be realised within twelve months after the reporting period, or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

(a) Expected to be settled in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Due to be settled within twelve months after the reporting period, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

5.17 Fair value measurement

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

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

(a) In the principal market for the asset or liability, or

Notes to the Consolidated financial statements for the year ended 31st March, 2021

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

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

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

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

5.18 Off-setting financial Instrument

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

5.19 Segment Reporting - Identification of Segments

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

5.20 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

5.21 Contributed Equity

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

5.22 Share Based Payment

Equity settled share based payments to employees providing services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity share based payments transactions are set out in Note 65.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Parent Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Parent Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Consolidated Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Reserve.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

5.23 Cash flow statement

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

5.24 Business combinations

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

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.

(iii) Adjustments are only made to harmonise accounting policies.

(iv) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

(v) The balance of the Retained Earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.

(vi) The identities of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

(vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to Capital Reserve and is presented separately from Other Capital Reserves.

5.25 Assets (or disposal group) held for sale and discontinued operations

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of de-recognition.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject to terms that are usual and customary for sales of such assets, its sale is highly probable and it will genuinely be sold.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated balance sheet.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a

Notes to the Consolidated financial statements for the year ended 31st March, 2021

line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit and loss.

6 Significant accounting judgements, estimates and assumptions

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

The Group based on its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

6.1 Property, plant and equipment and Intangible Assets

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

6.2 Income Tax

The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

6.3 Contingencies

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

6.4 Impairment of financial assets

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

6.5 Impairment of non-financial assets

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

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

Notes to the Consolidated financial statements for the year ended 31st March, 2021

6.6 Defined benefits plans

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

6.7 Recoverability of trade receivable

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

6.8 Provisions

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

6.9 Fair value measurement of financial instruments

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

6.10 Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and / or require separate disclosure in accordance with Ind AS. The determination as to which items should be disclosed separately requires a degree of judgement. The details of exceptional items are set out in note 41.

6.11 Global health pandemic Covid-19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In assessing the recoverability of Group's assets such as financial asset and non-financial assets, the Group has considered internal and external information. The Group has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements and the Gorup expects to recover the carrying amount of all the assets.

6.a Recent Accounting pronouncements

Recent pronouncements on June 18, 2021, MCA through a notification has notified Companies (Indian Accounting Standards) Amendment Rules, 2021. The notification has made amendments to various Ind AS. Some of the key amendments are:

- Ind AS 116 – COVID-19-Related Rent Concessions
- Interest Rate Benchmark Reform – Phase 2
- Amendments to Ind AS consequential to Conceptual Framework under Ind AS

Notes to the Consolidated financial statements for the year ended 31st March, 2021

The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts; Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020. The revised Conceptual Framework introduced some new concepts and clarifications along with revision in definitions and changes in recognition criteria of assets and liabilities under Ind AS.

The Group does not expect the consequential amendments to have any significant impact in its consolidated financial statements.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

7 (a). Property, Plant and Equipment

(₹ in Lakh)

Particulars	Freehold Land	Buildings	Railway Terminal	Plant and Equipments	Furniture and Fixtures	Vehicles	Equipments	Computers	Leasehold Improve-ments	Total
Gross Carrying Value										
As at 1st April, 2019	133,282.32	96,781.67	14,388.57	37,100.86	886.10	95.74	1,704.73	207.27	161.15	284,608.41
Additions	5,775.24	-	-	26.55	1.15	11.34	84.73	2.88	-	5,901.89
Disposals	-	-	-	-	-	(2.81)	-	-	-	(2.81)
transfer to Inventories	(1,806.65)	-	-	-	-	-	-	-	-	(1,806.65)
Asset reclassified for held for sale	(6,194.49)	(5,492.77)	-	(146.86)	(110.74)	-	(22.59)	(0.06)	-	(11,967.51)
As at 31st March, 2020	**131,056.42**	**91,288.90**	**14,388.57**	**36,980.55**	**776.51**	**104.27**	**1,766.87**	**210.09**	**161.15**	**276,733.33**
Additions	-	-	-	6.46	2.93	11.27	6.86	21.81	-	49.33
Disposals	-	(279.27)	-	(22,914.65)	-	(4.99)	(511.33)	(0.29)	-	(23,710.53)
As at 31st March, 2021	**131,056.42**	**91,009.63**	**14,388.57**	**14,072.36**	**779.44**	**110.55**	**1,262.40**	**231.61**	**161.15**	**253,072.13**
Accumulated Depreciation										
As at 1st April, 2019	-	10,306.31	3,471.71	10,970.59	391.61	41.94	1,114.26	151.99	4.00	26,452.41
Depreciation for the year	-	3,410.99	1,165.35	3,683.38	134.13	11.54	160.19	7.22	51.24	8,624.04
Disposals	-	-	-	-	-	(2.50)	-	-	-	(2.50)
Asset reclassified for held for sale	-	(366.83)	-	(56.94)	(66.99)	-	(18.53)	-	-	(509.29)
As at 31st March, 2020	**-**	**13,350.47**	**4,637.06**	**14,597.03**	**458.75**	**50.98**	**1,255.92**	**159.21**	**55.24**	**34,564.66**
Depreciation for the year	-	3,223.41	1,162.16	1,917.30	110.07	11.02	155.10	9.48	44.18	6,632.72
Disposals	-	(23.43)	-	(9,875.27)	-	(4.07)	(432.36)	-	-	(10,335.13)
As at 31st March, 2021	**-**	**16,550.45**	**5,799.22**	**6,639.06**	**568.82**	**57.93**	**978.66**	**168.69**	**99.42**	**30,862.25**
Net Carrying value as at 31st March, 2021	**131,056.42**	**74,459.18**	**8,589.35**	**7,433.30**	**210.62**	**52.62**	**283.74**	**62.92**	**61.73**	**222,209.88**
Net Carrying value as at 31st March, 2020	**131,056.42**	**77,938.43**	**9,751.51**	**22,383.52**	**317.76**	**53.29**	**510.95**	**50.88**	**105.91**	**242,168.67**

Notes:

1) Freehold Land includes ₹ 9,735.11 Lakh situated at Nagpur, which is under possession of a lender as per the Order of Hon'ble High Court of Bombay dated 9th May, 2013.
2) Freehold Land measuring Nil Acres (31st March, 2020 - 4.42 Acres) amounting to ₹ Nil Lakh (31st March 2020 - ₹ 1,806.65 Lakh) are converted into inventories.
3) Gross carrying value includes cost of vehicles taken on finance lease ₹13.96 Lakh.
4) In accordance with the Indian Accounting Standard (IND AS -36) on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2021.
5) For details of securities charged on above property, plat and equipment, refer note no. 22, 27 and 30.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

7 (b). Right of Use Assets

(₹ in Lakh)

Particulars	Buildings
Gross Carrying Value	
As at 1st April, 2019	21,654.46
Additions	1,286.64
Modification during the year	(86.72)
As at 31st March, 2020	**22,854.38**
Addition during the year	594.69
Modification during the year	(894.88)
As at 31st March, 2021	**22,554.19**
Accumulated Depreciation	
As at 1st April, 2019	
Depreciation for the year	4,866.15
Modification during the year	(21.76)
As at 31st March, 2020	**4,844.39**
Depreciation for the year	4,759.31
Modification during the year	(194.22)
As at 31st March, 2021	**9,409.48**
Net Carrying value as at 31st March, 2021	**13,144.71**
Net Carrying value as at 31st March, 2020	**18,009.99**

Notes to the Consolidated financial statements for the year ended 31st March, 2021

8. Intangible Assets

(₹ in Lakh)

Particulars	Trade Mark	Computer Software	Rail License Fees	Total
Gross Carrying Value				
As at 1st April, 2019	0.49	2,923.50	3,208.33	6,132.32
Additions	-	-	-	-
Deductions	-	-	-	-
As at 31st March, 2020	**0.49**	**2,923.50**	**3,208.33**	**6,132.32**
Additions	-	-	-	-
Deductions	-	-	-	-
As at 31st March, 2021	**0.49**	**2,923.50**	**3,208.33**	**6,132.32**
Accumulated Amortisation				
As at 1st April, 2019	0.37	1,257.31	749.68	2,007.36
Amortisation for the year	0.12	544.06	250.59	794.77
Deductions	-	-	-	-
As at 31st March, 2020	**0.49**	**1,801.37**	**1,000.27**	**2,802.13**
Amortisation for the year	-	440.82	249.91	690.73
Deductions	-	-	-	-
As at 31st March, 2021	**0.49**	**2,242.19**	**1,250.18**	**3,492.86**
Net Carrying value as at 31st March, 2021	**-**	**681.31**	**1,958.15**	**2,639.45**
Net Carrying value as at 31st March, 2020	**-**	**1,122.13**	**2,208.06**	**3,330.19**

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non- Current Financial Assets		
9. Loan		
Unsecured, considered good unless otherwise stated		
Loan to other	325.00	325.00
Loans to other - credit impaired	-	-
	325.00	**325.00**
Less: Impairment allowance for loan	-	-
Total	**325.00**	**325.00**
10. Other Financial Assets		
Security deposits	2,173.47	1,948.37
Deposits with banks to the extent held as margin money	36.69	6.84
Total	**2,210.16**	**1,955.21**

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-Current Assets		
11. Other Non- Current Assets		
Capital Advances		
Considered good	1,001.64	953.64
Considered doubtful	-	1,395.00
	1,001.64	**2,348.64**
Less: Provision for impairment	-	(1,395.00)
	1,001.64	**953.64**
Security deposits	48.94	57.85
Prepaid expenses	66.81	77.10
TDS receivables/Taxes paid	1,341.96	1,631.10
Service tax paid under protest	-	5.14
Total	**2,459.35**	**2,724.83**
Current Assets		
12. Inventories		
(Valued at lower of Cost and Net Realisable value)		
Land	12,537.34	12,537.34
Total	**12,537.34**	**12,537.34**
Current Financial Assets		
13. Trade Receivables		
Secured, Considered good	197.21	197.45
Unsecured, Considered good	2,716.73	2,532.43
Trade Receivables which have significant increase in credit risk	454.72	296.88
	3,368.66	**3,026.76**
Less: Provision for expected credit losses	(454.72)	(296.88)
Total	**2,913.94**	**2,729.88**
14. Cash and Cash Equivalents		
Balances with banks:		
- in current accounts #	948.42	914.14
Cash on hand	0.72	2.08
Total	**949.14**	**916.22**

Cash and cash equivalents as at 31st March, 2021 comprises of restricted bank balances held in escrow account with bank amounting to ₹ 860.46 Lakh (31st March, 2020 - ₹ 784.65 Lakh). This account can only be operated with the specific permission / instruction in terms of the Escrow Agreement.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
15. Other Bank Balances		
Deposits with banks to the extent held as margin money	280.86	300.77
Interest accrued on fixed deposit	9.26	4.72
Total	**290.12**	**305.49**
16. Loan		
Unsecured, considered good unless otherwise stated		
Loan to other	-	307.97
Loans to other - credit impaired	-	-
	-	**307.97**
Less: Impairment allowance for loan	-	-
Total	**-**	**307.97**
17. Other Financial Assets		
Security deposits	3,194.17	3,215.21
Unbilled revenue	2,755.45	2,131.86
Interest accrued on fixed deposits	29.44	25.65
Interest accrued on others	83.07	-
Other recoverables	353.94	1,089.28
Total	**6,416.07**	**6,462.00**
18. Other Current Assets		
Advances to suppliers	2,785.17	47.20
Advances to employees	168.19	47.57
Other advances / Other receivables	391.16	35.68
Interest receivables	-	41.29
Prepaid expenses	116.11	104.99
TDS receivables/Taxes paid	-	1.19
Balances with Statutory, Government authorities	196.06	1,281.84
VAT Refund receivables (Refer Note No. 56)	2,231.02	1,876.65
Total	**5,887.71**	**3,436.41**
19. Assets held for sale (Refer Note No. 63)		
Property, Plant and Equipment	11,472.22	11,472.22
Capital Work-in-Progress (Refer Note No. 19.1)	6,927.84	2,603.99
Capital Advance	180.88	705.04
TDS receivables/Taxes paid	0.93	0.59
Balances with banks in current account	40.66	212.60

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed deposit with bank (original maturity up to 3 Months)	200.00	300.00
Deposit with bank (original maturity more than 3 months but up to 12 months) (Refer Note No. 19.2)	20.00	20.00
Interest accrued on fixed deposits	2.73	2.63
Advances to supplier	0.05	0.01
Balances with Statutory, Government authorities	0.08	0.05
Total	**18,845.39**	**15,317.13**

Notes:

(19.1) Capital Work-in-Progress

(i) Expenditure for construction of warehouse during the year is ₹ 3,632.85 Lakh (31st March 2020 - ₹ 2,407.95 Lakh).

(ii) Borrowing cost capitalised during the year of ₹ 702.96 Lakh (31st March 2020 - ₹ 201.96 Lakh).

(iii) Interest income earned on the funds temporarily invested during the year is ₹ 11.96 Lakh (31st March, 2020 - ₹ 5.92 Lakh).

(19.2) Deposit with bank as at March 31, 2021 is restricted, which can only be operated with the specific permission / instructions in terms of the Debenture Trust Deed entered into by AIPL with Ascendas IT Park (Chennai) Limited (Debenture holder).

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
20. Share Capital		
Authorised		
(i) 28,75,00,000 (31st March, 2020 - 28,75,00,000) Equity Shares of ₹ 2 each	5,750.00	5,750.00
(ii) 30,00,000 (31st March, 2020 - 30,00,000) 0% Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each	300.00	300.00
Total	**6,050.00**	**6,050.00**
Equity Share Capital - issued, subscribed and fully paid		
26,22,75,915 (31st March, 2020 - 25,80,75,915) Equity shares of ₹ 2 each	5,245.52	5,161.52
Total	**5,245.52**	**5,161.52**

(a) Terms and rights

(i) Terms and rights attached to equity shares

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

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

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

The Parent Company has 0% optionally convertible redeemable preference shares having a par value of ₹ 10 per share. Each holder of OCRPS has right / entitled to convert into equity shares within 18 months from the date of issue or redemption from the end of 19th year to 23rd years as per terms.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

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

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of Shares	₹ in Lakh	Number of Shares	₹ in Lakh
Balance as at the beginning of the year	258,075,915	5,161.52	243,614,292	4,872.29
Add: Issued during the year	4,200,000	84.00	14,461,623	289.23
Balance as at the end of the year	**262,275,915**	**5,245.52**	**258,075,915**	**5,161.52**

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of Shares	₹ in Lakh	Number of Shares	₹ in Lakh
Balance as at the beginning of the year	80,000	8.00	-	-
Add: Issued during the year	-	-	80,000	8.00
Less: Converted into equity shares during the year	(80,000)	(8.00)	-	-
Balance as at the end of the year	**-**	**-**	**80,000**	**8.00**

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

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

Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	Number of equity shares	Percentage (%) shareholding	Number of equity shares	Percentage (%) shareholding
Archana A Mittal	86,059,788	32.81%	88,559,788	34.32%
Ajay S Mittal	38,356,437	14.62%	38,356,437	14.86%
Edelweiss Asset Reconstruction Company Limited (through various EARC trusts)	62,059,820	23.66%	59,559,820	23.08%

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

Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	Number of OCRPS	Percentage (%) shareholding	Number of OCRPS	Percentage (%) shareholding
Edelweiss Asset Reconstruction Company Limited (EARC Trust SC 334)	-	-	80,000	100%

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
21. Other Equity		
(i) 0% Unsecured Compulsorily Convertible Debentures (CCDs)		
Balances as at the beginning of the year	-	-
Add: issue of CCDs	-	4,557.72
Less: On issue of Equity Shares	-	(4,557.72)
Balances as at the end of the year	**-**	**-**
(ii) Equity Component of Compunded Financial Instruments		
Balances as at the beginning of the year	690.91	-
Add: Fair valuation of OCRPS	-	690.91
Less: On issue of Equity Shares	(690.91)	-
Balances as at the end of the year	**-**	**690.91**
(iii) Capital Reserve		
Balances as at the beginning and end of the year	1.58	1.58
(iv) Amalgamation Reserve		
Balances as at the beginning and end of the year	124.80	124.80
<u>Reserve and Surplus</u>		
(v) Securities Premium Account		
Balances as at the beginning of the year	2,37,397.51	2,33,072.16
Add: On issue of Equity Shares	1,011.63	4,338.48
Less: Share issue expenses	-	(13.13)
Balances as at the end of the year	**2,38,409.14**	**2,37,397.51**
(vi) Employee Stock Options Reserve (Refer Note No. 65)		
Balances as at the beginning of the year	45.01	-
Add: Share based payment	216.62	45.01
Less: On issue of Equity Shares	(261.63)	-
Balances as at the end of the year	**-**	**45.01**
(vii) General Reserve		
Balances as at the beginning and end of the year	940.18	940.18
(viii)Deficit in the Statement of Profit and Loss		
Balances as at the beginning of the year	(2,31,418.09)	(1,85,545.26)
Less: Loss for the year	(36,823.14)	(46,216.45)
Less: Other comprehensive income	14.45	55.26

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Add/Less: Others (net)	(288.37)	288.37
Balances as at the end of the year	**(2,68,515.15)**	**(2,31,418.09)**
Total (i to viii)	**(29,039.45)**	**7,781.90**

Nature and purpose of Reserve and Surplus:

(a) 0% Unsecured Compulsorily Convertible Debentures (CCDs) of the parent Company:

(i) Terms and rights

The Parent Company has issued zero coupan rate (0%) unsecured Compulsorily Convertible Debenturs (CCDs) having a par value of ₹ 1,000 per debenture. The CCDs has been converted into such proportionate number of equity shares of the Parent Company on or before 30th January, 2020 from the date of allotement of CCDs.

(ii) Reconciliation of compulsorily convertible debentures outstanding as at the beginning and end of the year

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of Debentures	₹ in Lakh	Number of Debentures	₹ in Lakh
Balance as at the beginning of the year	-	-	-	-
Add: Issued during the year	-	-	4,55,772	4,557.72
Less: Converted into equity shares during the year	-	-	(4,55,772)	(4,557.72)
Balance as at the end of the year	**-**	**-**	**-**	**-**

(b) Securities Premium Account:

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

(c) General Reserve:

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

(d) Amalgamation Reserve:

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

(e) Employee Stock Options Reserve:

Employee stock reserve is created on account of Employee Stock Option granted by the Group employees.

(f) Retained Earning:

Retained Earnings are the profit/(loss) of the Group earned till date net of appropriations.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-Current Liabilities		
22. Borrowings		
Secured		
(a) Term Loans		
From Banks (Refer Note No. 22.1)	224.36	301.29
From Other Parties (Refer Note No. 22.2)	87,489.73	1,08,935.22
(b) Vehicles Loan from bank (Refer Note No. 22.3)	5.02	7.29
Liability Component of Compound Financial Instruments (OCRPS) (Refer Note No. 22.4 and 20 (b) (ii))	956.63	968.55
Total	**88,675.74**	**1,10,212.35**

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

(22.1) Rupee Term loan from Banks:

22.1.1 Parent Company

(2) Rupee term loan of ₹ 474.30 Lakh (31st March, 2020 - ₹ 474.30 Lakh):

(a) Details of security

(i) Second charge on movable and immovable Panvel assets of the Parent Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Parent Company.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in 78 equal monthly installment commencing from the date of first disbursement i.e. 31st August, 2018.

(d) The Parent Company has been in default for the repayment of principal amount of ₹ 173.02 Lakh (31st March 2020 - ₹ 96.09 Lakh)

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(22.2) Rupee Term loans from Other Parties

22.2.1 Parent Company

(1) Rupee term loan of ₹ 59,821.72 Lakh (31st March, 2020 - ₹ 59,667.70 Lakh):

(a) Security provided:

(i) First charge in all the present and future movable and immovable property, plant and equipment including intangible assets, assignment of rights and benefits of the Parent Company but excluding project assets for Khurja FTWZ project, Khurja Distiripark Project, Nagpur project and Rail project on pari passu basis.

(ii) Second charge on current assets of the Parent Company but excluding current assets for khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.

(iii) first pari passu charge by way of hypothecation on the Panvel Receivables both existing and future of whatsoever nature.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The loans are secured by pledged of shares held by the two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

Rate of Interest is @ 10% p.a. compounded quarterly.

(c) Terms of Repayment:-

Year	₹ in Lakh
FY 2017-18	5,671.09
FY 2021-22	14,001.46
FY 2022-23	40,404.50
Total	**60,077.05**

(d) The Parent Company has been in default for the repayment of principal amount of ₹ 5,671.09 Lakh. (31st March, 2020 - ₹ 5,671.09 Lakh).

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 255.33 Lakh (31st March, 2020 - ₹ 409.35 Lakh).

22.2.2 ARIL

(1) Rupee term loan of ₹ 33,917.72 Lakh (31st March, 2020 - ₹ 33,787.05 Lakh):

(a) Securities provided

(i) First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of ARIL Division both present and future on pari passu basis.

(ii) Second charge by way of hypothecation of the entire current assets of ARIL Division on pari passu basis.

(iii) Pledge of 100% equity shares of the ARIL i.e. pre merger held by the Parent Company (equivalent to 4,23,84,417 post-merger).

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

Rate of Interest is @ 10% p.a. compounded quarterly.

(c) Terms of Repayment:-

Year	₹ in Lakh
FY 2019-2020	1,744.63
FY 2020-2021	6,139.19
FY 2021-2022	2,276.52
FY 2022-2023	23,954.16
Total	**34,114.50**

(d) ARIL has been in default for the repayment of principal amount of ₹ 7,883.82 Lakh (31st March, 2020 - ₹ 1,744.63 Lakh).

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 196.77 Lakh (31st March, 2020 - ₹ 327.44 Lakh).

(2) Rupee term loan from Other Parties of ₹ 26,596.55 Lakh (31st March, 2020 - ₹ 26,594.32 Lakh):

(a) Security provided:

(i) First charge on all movable and immovable properties of ICD and Domestic Warehousing Division both present and future on pari passu basis.

(ii) First charge by way of hypothecation of the entire current assets of ICD and Domestic Warehousing Division on pari passu basis.

(iii) Pledge of 100% equity shares of erstwhile AIDHL i.e. pre-merger held by the Parent Company (equivalent to 1,72,37,152 in ARIL i.e. post merger).

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

Rate of Interest is @ 10% p.a. compounded quarterly.

(c) Terms of Repayment:-

Year	₹ in Lakh
FY 2019-2020	1,885.69
FY 2020-2021	4,034.74
FY 2021-2022	2,209.30
FY 2022-2023	18,470.27
Total	**26,600.00**

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(d) ARIL has been in default for the repayment of principal amount of ₹ 5,920.43 Lakh (31st March, 2020 - ₹ 1,885.69 Lakh).

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 3.45 Lakh (31st March, 2020 - ₹ 5.68 Lakh).

22.2.3 ANFL

(1) Rupee term loan from Other Parties of ₹ 10,938.98 Lakh (31st March, 2020 - ₹ 10,798.57 Lakh):

(a) Security provided:

(i) First charge on fixed assets of ANFL both present and future on pari passu basis.

(ii) First Pari Passu charge/assignment/security interest on the ANFL's rights under the project documents, contracts (including guarantees) and all licenses, permits, approvals, consents and insurance policies.

(iii) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance under any project agreement or contract in favour of ANFL.

(iv) Second charge on current assets of ANFL.

(v) Pledge of 40,52,778 equity shares of ANFL held by the Parent Company.

(vi) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(vii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

Rate of Interest is @ 10% p.a. compounded quarterly.

(c) Terms of Repayment:-

Year	₹ in Lakh
FY 2019-2020	2,113.15
FY 2020-2021	323.92
FY 2021-2022	3,385.55
FY 2022-2023	5,323.64
Total	**11,146.26**

(d) ANFL has been in default for the repayment of principal amount of ₹ 2,437.07 Lakh (31st March, 2020 - ₹ 2,113.15 Lakh).

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 207.27 Lakh (31st March, 2020 - ₹ 347.68 Lakh).

22.3 Vehicle loans from Bank

Two vehicle loans are secured by way of hypothecation of vehicles. Rate of interest for both loan is @ 8.55% p.a. and repayment tenure in monthly instalment up to October 2023 and January 2024 respectively.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

22.4 Liability Component of Compound Financial Instruments (OCRPS)

Erstwhile Arshiya Industrial & Distribution Hub Limited (AIDHL) has allotted 1,20,000 Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS) at Rs. 1,000/- to on 18th January, 2018 aggregating to Rs. 1,200.00 Lakh to a lender on preferential basis in lieu of and against conversion of loan amounting to Rs. 1,200.00 Lakh pursuant to the OTS terms and conditions dated 26th December, 2017.

However, by virtue of merger of AIDHL with ARIL pursuant to the Hon'ble NCLT Mumbai Bench order dated 6th December, 2019 and as per scheme, ARIL is in process of necessary compliances related to OCRPS.

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

The Subsidiary Company has issued & allotted 1,20,000 Zero % OCRPS of Rs. 10/- at a premium of Rs. 990/- aggregating to Rs. 1,200.00 Lakh.

Tenure of OCRPS: 6 years.

Conversion option: The right of conversion shall be exercised at the last day of sixth year from the date of allotment (i.e. January 18, 2018) of the OCRPS, only in event of failure on part of the subsidiary company to redeem the OCRPS or inability of the Promoters to buyback the OCRPS.

Redemption: The OCRPS Series 1 shall be redeemed in one single instalment of Rs. 1200.00 lakh (including premium) at the end of 6th year from the date of allotment of OCRPS - Series I.

Reconciliation of 0% Optionally Convertible Redeemable Preference Shares (OCRPS):

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of OCRPS	₹ in Lakh	Number of OCRPS	₹ in Lakh
Balance as at the beginning of the year	1,20,000	1,200.00	1,20,000	1,200.00
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	**1,20,000**	**1,200.00**	**1,20,000**	**1,200.00**

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
23. Lease Liabilities		
Lease Liabilities (Refer Note No.44)	10,401.83	13,930.20
Total	**10,401.83**	**13,930.20**
24. Other Financial Liabilities		
Financial Liabilities at amortised cost		
Security deposit from unit holders	893.12	125.30
Total	**893.12**	**125.30**

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
25. Provisions		
Provision for employee benefits (Refer Note No.46)		
Gratuity	87.97	129.36
Leave encashment	57.28	72.31
Total	**145.25**	**201.67**
26. Other Non-Current Liabilities		
Government grants	97.82	1,266.83
Advance warehouse rent	64.43	10.95
Total	**162.25**	**1,277.78**
Current Financial Liabilities		
27. Borrowings		
Secured		
(a) Working Capital facility (Cash Credit from banks) (Refer Note No. 27.1)	63.30	63.30
(b) Loan from Other Parties (Refer Note No. 27.2)	12,019.16	12,024.05
Unsecured		
(a) Loans from Promoter Directors (Refer Note No. 27.3)	288.40	247.33
(b) Inter Corporate Deposits (Refer Note No. 27.4)	77.00	77.00
(c) Loans from Related Party	4.35	-
(d) Bill discounting (Refer Note No. 27.5)	-	75.79
Total	**12,452.21**	**12,487.47**

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

27.1.1 ANFL

(1) ₹ 63.30 Lakh (31st March, 2020 - ₹ 63.30 Lakh):

(a) Securities provided :

(i) First charge on entire current assets of ANFL both present and future on pari passu basis.

(ii) Second pari passu charge on the assets charged for term loan of ANFL on first pari passu charge to lenders.

(iii) Pledge of 40,52,778 equity shares of ANFL held by the Parent Company.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of interest:

Rate of interest on working capital is @ 14% p.a.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(c) ANFL has been in continuing default for the repayment of outstanding principal loan amount of ₹ 63.30 Lakh since FY 2014-15.

(27.2) Loan from Other Parties:

27.2.1 Parent Comapny

(1) Loan of ₹ 8,474.04 Lakh (31st March, 2020 - ₹ 8,474.04 Lakh)

(a) Securities provided

- First Ranking charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of the Parent Company as per the Deed of Hypothecation.

- The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of interest: @ 18% p.a.

(c) The Parent Company has been in default for the repayment of outstanding principal loan amount of ₹ 8,474.05 Lakh since 30th June 2018.

(2) Loan of ₹ 545.11 Lakh (31st March, 2020 - ₹ 550.00 Lakh)

(a) Securities provided

- Exclusive charges on cash flows of Domestic warehousing building.

- The above loans are secured by mortgage over lands admeasuring 7,130 Sq. mt. of the Parent Company and wholly owned subsidiaries company.

- The above loans are secured by personal guarantees of one Promoter Director of the Parent Company.

- The above loans are secured by corporate guarantees of the two subsidiary Companies i.e. Arshiya Rail Infrastructure Limited and Arshiya Northern FTWZ Limited.

(b) Terms of interest: @ 11% p.a.

(c) The Parent Company has been in default for the repayment of outstanding principal loan amount of ₹ 545.11 Lakh (31st March, 2020 - ₹ 550.00 Lakh).

27.2.2 ARIL

(1) Loan of ₹ 3,000.00 Lakh (31st March, 2020 - ₹ 3,000.00 Lakh):

(a) Securities provided

(i) First Ranking charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of ICD and Domestic Warehousing Division as per the Deed of Hypothecation.

(ii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(iii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of interest:

Rate of interest on said loan is @ 18% p.a.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(c) **Repayment:** bullet payment after expiry of 3 months

(d) ARIL has been in default for the repayment of outstanding principal loan amount of Rs. 3,000.00 Lakh since 31st March, 2019. The same has been recalled by the lender.(27.3) Unsecured Loan from Promoter Directors:

(27.3) Unsecured Loan from Promoter Directors:

(27.3.1) Parent Company

Loans from promoter directors of the Parent Company are interest free and repayable on demand.

(27.4) Unsecured Loan - Inter Corporate Deposits:

27.4.1 Parent Company

Intercorporate Deposit of ₹ 77.00 Lakh (31st March, 2020 - ₹ 77.00 Lakh) is interest free and repayable on demand.

(27.5) Bill discounting:

27.5.1 ARIL

(a) Financing limit of ₹ 3 crore with maximum payment period for individual invoices is 90 days against receivables of one of the customer.

(b) Rate of interest on said loan is @ 18% p.a.

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
28. Trade Payables		
Micro and small enterprises (Refer Note No.45)	351.42	318.53
Others	2,169.23	2,525.90
Total	**2,520.65**	**2,844.43**
29. Lease Liabilities		
Lease Liabilities (Refer Note No.44)	4,604.37	5,149.50
Total	**4,604.37**	**5,149.50**

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
30. Other Financial Liabilities		
Financial Liabilities at amortised cost		
Current maturities of long term debts from banks	21,228.34	23,848.00
Current maturities of long term debts from other parties	56,318.24	36,845.34
Current maturities of vehicle loan	2.76	2.08
Interest accrued and due on borrowings	97,204.03	70,371.85
Interest accrued but not due on borrowings	2,588.93	5,114.98
Interest payable on delayed payments to MSME creditors (Refer Note No.45)	7.32	6.64
Deposit from Unitholders	594.37	1,416.58
Payable for capital goods	2,743.32	2,786.19

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Dues to employees (including full and final settlement)	437.77	487.14
Payable for expenses	1,111.08	712.21
Other Payables	50.00	564.99
Total	**1,82,286.16**	**1,42,156.00**

30.1 Rupee Term Loan from Banks:

30.1.1 Parent Company

(1) Rupee Term loan - ₹ 1,463.41 Lakh (31st March, 2020 - ₹ 1,463.41 Lakh)

(a) Securities provided:

- Second charge on movable and immovable property, plant and equipments of the Parent Company, present and future on pari-passu.

-The above loan is secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Interest rate:

Rate of interest is @ 12.35% to 12.45% p.a.

(c) Terms of Repayment & Default:

The bank has been recalled loan of ₹ 1,463.41 Lakh (31st March, 2020 - ₹1,463.41 Lakh) and interest (including penal interest) of ₹ 664.25 Lakh (31st March, 2020 - ₹ 404.05 Lakh).

(2) Rupee term loan of ₹ 3,200.00 Lakh (31st March, 2020 - ₹ 3,196.80 Lakh):

(a) Details of security

(i) Second charge on movable and immovable Panvel assets of the Parent Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Parent Company .

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in Bullet payment at the end of the tenure of loan i.e. 36 months from the date of disbursement i.e. 21st March, 2018 .

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2020 - ₹3.20 Lakh).

Notes to the Consolidated financial statements for the year ended 31st March, 2021

30.1.2 ARIL

(1) Rupee Term loan from Banks of ₹ 4,219.28 Lakh (31st March, 2020 - ₹ 6,910.60 Lakh):

(a) Securities provided

(i) First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of ARIL Division both present and future on pari passu basis.

(ii) Second charge by way of hypothecation of the entire current assets of ARIL Division on pari passu basis.

(iii) Pledge of 100% equity shares of the ARIL i.e. pre merger held by the Parent Company (equivalent to 4,23,84,417 post-merger).

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

(i) Rate of Interest is @ 10.45% p.a. - 16.25% p.a.

(c) Terms of Repayment:-

(₹ in Lakh)

Year	Loan from Banks
FY 2015-2016	2,385.28
FY 2018-2019*	1,834.00
Total	**4,219.28**

* Refer Note No. 53

(d) Details of default in repayment of principal on secured loans as on 31st March, 2021 are as follows:

(₹ in Lakh)

Year	Loan from Banks
FY 2015-2016	2,385.28
FY 2018-2019	1,834.00
Total	**4,219.28**

The above loan has been recalled by Banks.

30.1.3 ANFL

(1) Rupee Term loans - ₹ 12,095.70 Lakh (31st March, 2020 - ₹ 12,104.18 Lakh):

(a) Securities provided:

(i) First charge on fixed assets of ANFL both present and future on pari passu basis.

(ii) First Pari Passu charge/assignment/security interest on the ANFL's rights under the project documents, contracts (including guarantees) and all licenses, permits, approvals, consents and insurance policies.

(iii) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance under any project agreement or contract in favour of ANFL.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(iv) Second charge on current assets of ANFL.

(v) Pledge of 40,52,778 equity shares of ANFL held by the Parent Company.

(vi) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(vii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

Rate of interest is @ 13% p.a.

(c) Terms of Repayment:-

(₹ in Lakh)

Year	Loan from Banks
FY 2012-2013	595.74
FY 2013-2014	1,410.23
FY 2014-2015	1,680.76
FY 2015-2016	8,408.97
Total	**12,095.70**

(d) The Banks has been recalled loan of ₹ 12,095.70 Lakh (31st March, 2020 - ₹ 12,104.18 Lakh) and interest of ₹ 22,979.45 Lakh (31st March, 2020 - ₹ 18,708.47 Lakh).

Details of default in repayment of principal on secured loans as on 31st March, 2021 are as follows:

(₹ in Lakh)

Year	Loan from Banks
FY 2012-2013	595.74
FY 2013-2014	1,410.23
FY 2014-2015	1,680.76
FY 2015-2016	8,408.97
Total	**12,095.70**

(30.2) Term loans from Other Parties

30.2.1 Parent Company

(1) Loan of ₹ 5,000.00 Lakh (31st March, 2020 - ₹ 5,000.00 Lakh) (Refer Note No. 52)

(i) Secured by first and exclusive charge on land situated at Village Butibori at Nagpur, Maharashtra.

(ii) The above loan is secured by personal guarantees of two Promoter Directors of the Parent Company.

(iii) Rate of interest is @ 20% p.a.

(2) Loan of ₹ 2,000.00 Lakh (31st March, 2020 - ₹ 2,000.00 Lakh) (Refer Note No. 51)

(i) Secured by first and exclusive charge on land situated at Khurja, Bulandshahr, Uttar Pradesh.

(ii) The above loan is secured by personal guarantees of two Promoter Directors of the Parent Company.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(iii) Rate of interest is @ 18% p.a.

(2) Rupee term loan of ₹ 3,433.00 Lakh (31st March, 2020 - ₹ 2,881.65 Lakh)

(a) Securities provided

(i) Second charge by way of equitable mortgage/hypothecation on the entire immovable and movable property, plant and equipment of the Parent Company on pari-passu basis.

(ii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Repayment:-

Rupee term loan is repayable in 13 structured quarterly installments commencing from 31st January, 2018.

(c) The Parent Company has been in default for the repayment of principal amount of ₹ 3,433.00 Lakh. (31st March, 2020 - ₹ 1,910 Lakh).

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2020 - ₹ 53.35 Lakh).

(3) Rupee term loan of ₹ 2,100.00 Lakh (31st March, 2020 - ₹ 2,091.27 Lakh):

(a) Securities provided

(i) The above loan are secured by charge on residual cashflow of the Parent Company.

(ii) The above loans are secured by the immovable property held by one Promoter Director of the Parent Company on pari passu basis.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(iv) The above loans are secured by pledged of shares held by the one Promoter Director of the Parent Company.

(b) Terms of Interest rate

Rate of Interest is @ 18% p.a.compounded half yearly.

(c) Terms of Repayment:-

Rupee term loan is repayable in bullet payment at the end of the tenure of loan i.e. 15th May 2020.

(d) The Parent Company has been in default for the repayment of principal amount of ₹ 2,100.00 Lakh.

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2020 - ₹ 8.73 Lakh).

30.2.2 ARIL

(1) Rupee Term loans - ₹ Nil (31st March, 2020 - ₹ 2,960.00 Lakh)

(a) Securities provided:

(i) First pari passu charge on all present and future cash flows of ARIL Division.

(ii) First pari passu charge on all movable and immovable assets of ARIL Division.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(iii) Charge on cash flows and movable assets by deed of hypothecation.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

Rate of interest is @ 20% p.a payable on quarterly.

(c) Terms of Repayment:-

Repayment shall be by way of bullet payment after expiry of 48 months.

(30.3) Details of default in payment of interest on secured loans as on 31st March, 2021 are as follows:

(₹ in Lakh)

Year	Banks	Others	Total
FY 2013-2014	3,038.40	-	3,038.40
FY 2014-2015	2,706.46	-	2,706.46
FY 2015-2016	3,123.67	-	3,123.67
FY 2016-2017	3,628.35	-	3,628.35
FY 2017-2018	4,374.76	1,704.78	6,079.54
FY 2018-2019	6,858.52	9,901.34	16,759.86
FY 2019-2020	7,127.97	23,818.10	30,946.07
FY 2020-2021	7,935.50	20,450.62	28,386.12
Total	**38,793.63**	**55,874.84**	**94,668.47**

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
31. Other Current Liabilities		
Revenue received in advances	-	42.96
Advance received from Customers	277.07	19.58
Government Grants (Refer below Note No. 31.2)	35.07	365.49
Advance warehouse rent	78.28	12.21
Trade advances received	-	75.60
Statutory dues (Refer below Note No. 31.1)	2,294.01	2,529.30
Interest on delayed payment of statutory dues	1,804.38	2,018.71
Total	**4,488.81**	**5,063.85**

Note:

(31.1) Statutory dues included Tax deducted at sources (TDS), Goods and Service Tax (GST) Provident Fund (PF), Profession Tax (PT) and Employee State Insurance Corporation (ESIC) .

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(31.2) Government Grant

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	1,632.32	1,997.81
Income recognised during the year	(1,499.43)	(365.49)
Closing balance	**132.89**	**1,632.32**
Non-current liabilities	97.82	1,266.83
Current liabilities	35.07	365.49

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
32. Provision		
Provision for employee benefits (Refer Note No. 46)		
Gratuity	4.75	3.71
Leave encashment	15.37	22.08
Total	**20.12**	**25.79**

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
33. Liabilities associated with assets classified as held for sale	7,668.02	3,668.65
Total	**7,668.02**	**3,668.65**

Note:

AIPL

33.1. 14% Non-convertible redeemable debentures (NCDs) of ₹ 6,625.00 Lakhs (31st March, 2020 - ₹ 3,725.00 Lakh):

(a) Security provided:

(i) First charge on AIPL Mortgaged Properties and warehouse land and additional land of the Parent Company.

(ii) Hypothecation over all the bank accounts and Receivables of AIPL.

(iii) The NCDs are secured by pledged of shares of AIPL held by the Parent Company and by Corporate guarantees of the Parent Company.

(b) Terms of Interest rate

Rate of interest is @ 14% p.a.

(c) Terms of Repayment:-

The terms of the debentures shall be 285 days from the partial lease completion notice or the completion notice (as applicable) ("Final Redemption date"), which date may be extended by the Board only with the prior written consent of the

Notes to the Consolidated financial statements for the year ended 31st March, 2021

Debenture holder. Based the assessment of the current status of the construction of warehouse and overall arrangement with the debenture holder, the Management of AIPL is expected to repay the aforesaid debenture within 9 months from the balance sheet date.

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 3.96 Lakh (31st March, 2020 - ₹ 56.19 Lakh).

(e) Debenture redemption reserve will be created on the availability of profit. AIPL is under construction of warehouse and operation not started yet, hence debenture redemption reserve is not created by the AIPL.

(f) Reconciliation of 14% Non-convertible redeemable debentures (NCDs):

Particulars	**As at 31st March, 2021**		**As at 31st March, 2020**	
	Number of Debentures	**₹ in Lakh**	**Number of Debentures**	**₹ in Lakh**
Balance as at the beginning of the year	3,72,500	3,725.00	-	-
Add: Issued during the year	2,90,000	2,900.00	3,72,500	3,725.00
Balance as at the end of the year	**6,62,500**	**6,625.00**	**3,72,500**	**3,725.00**

(₹ in Lakh)

Particulars	**Year Ended 31st March, 2021**	**Year Ended 31st March, 2020**
34. Revenue from Operations		
Sale of services		
Rail freight income	5,994.00	12,151.58
Storage income	9,124.97	9,374.05
Conditional Lease rent	2,500.00	2,500.00
Road freight income	1,931.22	2,595.22
Material handling and other services	1,637.69	1,973.28
Terminal income	301.63	235.20
Domestic warehousing income	518.28	591.01
Finance lease income	3.00	3.00
Other operating income	53.24	25.01
Total	**22,064.03**	**29,448.35**
35. Other Income		
Interest income on		
Bank fixed deposits	22.26	39.73
Loans to others	45.50	266.82
Tax refunds	62.82	246.80
Others	10.71	-
Government grants	1,499.43	365.49
Financial guarantee income	15.00	15.00
Financial assets carried at amortised cost	234.86	214.67
Foreign exchange difference (net)	-	34.04

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Sundry balance written back	-	64.80
Gain on derecognised of Liability Component	16.13	-
Gain on disposal of Property, plant and equipment (Refer Note No. 61)	1,907.37	0.38
Gain on sale of subsidiary	-	5.59
Gain on Lease modification	28.75	2.51
Refund of Goods and Services Tax	744.38	-
Miscellaneous income	596.93	61.23
Rent concession	27.49	-
Refund of Property tax	177.48	-
Total	**5,389.11**	**1,317.06**
36. Freight Expenses		
Rail freight expenses	4,581.54	9,674.01
Road freight expenses	1,268.41	1,915.11
Total	**5,849.95**	**11,589.12**
37. Employee Benefits Expense		
Salaries, wages and bonus	2,094.17	2,884.69
Contribution to provident and other funds	82.06	89.83
Share based payment (Refer Note No. 65)	216.62	45.01
Staff welfare expenses	41.01	83.50
Total	**2,433.86**	**3,103.03**
38. Finance Cost		
Interest expense on borrowings	36,126.18	30,633.60
Interest expense on bill discounting	2.14	14.42
Interest expense on statutory dues	329.97	420.98
Unwinded interest expense on security deposits	72.81	13.08
Unwinded interest expense on lease liabilities (Refer Note No.44)	1,875.34	2,303.02
Interest expense on others	1.32	125.28
Interest expense on MSME vendors (Refer Note No. 45)	7.87	4.49
Derecognised interest expense on security deposits	-	1.30
Other borrowing costs	44.58	109.22
Total	**38,460.21**	**33,625.39**

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
39. Depreciation and Amortisation Expense		
Depreciation on property, plant and equipment	6,632.72	8,624.05
Depreciation on right of use of assets (Refer Note No.44)	4,759.31	4,866.15
Amortisation on intangible assets	690.73	794.77
Total	**12,082.76**	**14,284.97**
40. Other Expenses		
Electricity charges	586.85	580.69
Rent	87.77	101.58
Repairs and maintenance:		
Building	107.74	131.84
Plant and Machinery	95.22	64.06
Others	128.75	150.80
Insurance	79.47	28.38
Rates and taxes	73.32	64.43
Communication expenses	38.80	48.05
Travelling and conveyance expenses	120.98	313.01
Vehicle expenses	39.06	71.39
Printing and stationery	28.08	36.67
Legal and professional fees	396.43	367.75
Security charges	482.71	537.75
Advertisement and Business Promotion expenses	12.43	36.27
Auditor's remuneration:		
- Audit Fees	118.51	140.16
- Limited Review Fees	15.00	15.00
- Certification fees	1.10	1.80
Provision for doubtful debts	157.97	109.82
Bad Debts	0.50	373.77
Foreign exchange differences (net)	117.20	-
Miscellaneous expenses	204.99	363.80
Director sitting fees	3.85	3.10
Sundry balance written off (net)	881.80	-
Discarding/written off of Property, plant and equipment and Intangible assets	-	26.50
Capital advances written off	-	128.25
Total	**3,778.53**	**3,694.87**

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
41. Exceptional Items		
Settlement of claims (Refer Note No. 60)	-	7,810.00
Total	**-**	**7,810.00**

42. Profit/(loss) for the year from Discontinuing Operations		
Revenue from operations	-	-
Other Income	0.04	-
	0.04	**-**
Expenses		
Employee benefits expense	144.00	96.00
Finance cost	0.06	0.04
Other expenses	80.42	15.06
Total	**224.44**	**111.10**
Profit / (loss) for the year from discounting operations	**(224.40)**	**(111.10)**

43 Contingent Liabilities and Commitments

43.1 Contingent Liabilities (to the extent not provided for in respect of):

(₹ in Lakh)

S. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
(a)	Disputed Income Tax Demands	8,444.43	8,444.43
(b)	Disputed Service Tax demand	62.68	114.23
(c)	Disputed Local Body Tax demand	160.33	160.33
(d)	Claims against the group not acknowledged as debts	2,315.87	2,179.07
(e)	Bank Guarantees	115.00	115.00
(f)	Letter of Credit (Letter of Credit given in favour of Railways for availing e-freight facility for haulage payment)	100.00	100.00
(g)	Input credit used of Goods and Services Tax (refer note 1 below)	50.59	40.67
(h)	Goods and Services Tax (GST) payables on unbilled revenue (refer note 67)	45.98	45.98
(i)	Import Continuity / Transhipment Bond / Custodian cum Carrier Bond	32,690.21	42,690.21
(j)	Corporate Guarantees given (refer note 2 below)	18,500.00	18,500.00

Note:

1 A Subsidiary company has availed GST input credit appearing in Form GSTR- 2A (on GST portal) for its payment of GST liability, such invoices are in the name of subsidiary company but not recorded in Books. These GST Credits pertains to the services provided by Shipping Company to certain customers of the Subsidiary company, where the Subsidiary company is Consignee. The actual expenses are borne by the customers of the Subsidiary company as primary obligators, also invoices of those expenses are not available with the Subsidiary company. The Subsidiary company has utilized the aforesaid GST input credit based on expert advice obtained by the Subsidiary company.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

2 The Parent Company and a subsidiary had given jointly or servelly guarantees to a lender of ₹ 185 Crore on behalf of Mira Supply Chain Management Private Limited when it was subsidiary till January 2018, of the Parent Company. The Parent Company charged guarantee commission @ 0.5% per annuum on outstanding loan amount of ₹ 2,965.11 Lakh.

43.2 Capital commitments

Estimated amount of contracts remaining to be executed on capital and other accounts and not provided for (net of advances paid) are ₹ 1,860.54 Lakh (31st March, 2020 - ₹ 3,014.40 Lakh).

44 Lease

Effective 1st April, 2019, the Group has adopted Ind AS 116 - "Leases" and applied the revised standard to all lease contracts thereby capitalising assets taken on operating lease existing on 1st April, 2019, using the modified retrospective method, without adjustment of comparatives.

(i) Movement of carrying value of right of use of assets

(₹ in Lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening Balance	**18,009.99**	**21,654.46**
Add: Addition during the year	594.69	1,286.64
Less: Modification during the year	(700.66)	(64.96)
Less: Depreciation charge for the year	(4,759.31)	(4,866.15)
Closing Balance	**13,144.71**	**18,009.99**

(ii) Movement of Lease liabilities

(₹ in Lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening Balance	**19,079.70**	**21,162.44**
Add: Addition during the year	594.69	1,286.64
Add: Interest expenses on unwinding lease liabilities	1,875.34	2,303.02
Less: Payment of lease liabilities	(5,786.62)	(5,604.81)
Less: Rent concession	(27.49)	-
Less: Modification during the year	(729.43)	(67.58)
Closing Balance	**15,006.20**	**19,079.70**

45 Details of dues to Micro, Small And Medium Enterprises

(₹ in Lakh)

S. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
a)	Principal amount due and remaining unpaid	351.42	318.55
b)	Interest due thereon remaining unpaid	7.32	7.05
c)	Interest paid by the Group in terms of Section 16 of the MSMED Act, 2016, along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

S. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
e)	Interest accrued and remaining unpaid	7.32	7.05
f)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above ae actually paid to the micro and small enterprises.	-	-

Note: Dues to Micro, Small and Medium 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.

46 Employee Benefits

46.1 Disclosure pursuant to Indian Accounting Standard (IND AS) 19 – Employee Benefits

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognised as expenses for the years are as under:

(₹ in Lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Employer's Contribution to Provident Fund	15.82	19.94
Employer's Contribution to Pension Scheme	35.23	44.76
Employer's Contribution to ESIC	1.31	1.41

(b) Brief descriptions of the plans

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

(c) Leave Encashment:

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision recognised in the Balance Sheet		
Current Provision as at the end of the year	15.37	22.08
Non Current Provision as at the end of the year	57.28	72.31
Provision recognised in the Balance Sheet	72.65	94.39

(d) Defined benefit plan – Gratuity:

The employee's Gratuity fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up to final obligation.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2012-14) Ult	Indian Assured lives Mortality (2012-14) Ult
Discount rate	5.65%	5.60%
Expected return on plan assets	6.42%	7.00%
Salary Escalation Rate	5.00%	5.00%
Withdrawal Rate	19.00%	19.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Provision as at the beginning of the year	226.88	263.42
Interest cost	12.70	18.38
Current service cost	24.45	37.39
Benefits paid	(57.79)	(37.05)
Actuarial (gain)/loss on obligations	(14.45)	(55.26)
Provision as at the end of the year	**191.79**	**226.88**
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	93.81	87.70
Expected return on plan assets	5.26	6.11
Actual Enterprise's Contributions	(57.79)	(37.05)
Benefits paid	57.79	37.05
Fair value of plan assets as at the end of the year	**99.07**	**93.81**
IV. Actual return on plan assets		
Expected return on plan assets	5.26	6.11
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	5.26	6.11
V. Provision recognised in the Balance Sheet		
Provision as at the end of the year	191.79	226.88
Fair value of plan assets as at the end of the year	99.07	93.81
Provision recognised in the Balance Sheet	92.72	133.07
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VII. Amount recognised in the Statement of Profit and Loss		
Current service cost	24.45	37.39
Interest cost	12.70	18.38
Expected return on plan assets	(5.26)	(6.11)
Net actuarial (gain)/loss to be on obligation	-	-
Expense recognised in Statement of Profit and Loss	31.89	49.66
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	(0.41)	(30.72)
Due to Change in demographic assumption	-	(0.20)

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Due to Change in experience assumption	(14.04)	(24.34)
Expected return on plan assets	-	-
Total remeasurement recognised in OCI	(14.45)	(55.26)
IX. Balance Sheet reconciliation		
Opening net provision	133.07	175.72
Expenses recognised in Profit & Loss	31.89	49.66
Actual Employer Contribution	(57.79)	(37.05)
Total Remeasurement recognised in OCI	(14.45)	(55.26)
Closing net provision	**92.72**	**133.07**

(e) Salary escalation assumption has been set in discussions with the enterprise based on their estimates of overall long-term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

46.2 Sensitivity analysis:

(₹ in Lakh)

Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended 31st March, 2021		
Salary growth rate	+0.50%	195.96
	-0.50%	187.74
Discount rate	+0.50%	187.78
	-0.50%	195.95
For the year ended 31st March, 2020		
Salary growth rate	+0.50%	289.11
	-0.50%	275.58
Discount rate	+0.50%	275.63
	-0.50%	289.11

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the balance sheet.

These plans typically expose the Group to actuarial risks such as: longevity risk and salary risk.

(a) **Interest risk** - A decrease in the discount rate will increase the plan provision.

(b) **Longevity risk** - The present value of the defined benefit plan provision is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants. As such, an increase the plan's provision.

(c) **Salary risk** - The present value of the defined plan provision is calculated by reference to the future salaries of plan participants. As such, as increase in the salary of the plan participants will increase the plan's provision.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

46.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 5 years (31st March, 2020 - 5 years).

47 Preparation of financial statements on " Going Concern" basis

(a) The Parent Company having accumulated losses as at 31st March, 2021. The Subsidiary Company i.e. ARIL has incurred net loss of ₹ 16,367.26 Lakh during the year ended 31st March, 2021 and as of that date, the Subsidiary Company's current liabilities exceeded by its current assets by ₹ 80,995.89 lakhs. Some of its lenders have recalled their loans and the subsidiary company is in the process of negotiating the revised payment terms with the lenders.

The focussed emphasis of the Government on logistics infrastructure sector is a big boon for the Group's business plan. The recent amendments in the SEZ policy, allowing manufacturing within the FTWZs will enhance the scope of activities carried out by FTWZ exponentially and will improve the Group's ability to expand the client base multi-fold. This will enable the Group to offer additional value propositions to its clients and increase its business to a great extent, including 'Contract Manufacturing' in line with Global Free Zones. The management's plans as a developer of the business indicate that monetization will happen periodically and staggered, but significant payments will be received to streamline the cash flows.

Further, India is witnessing a rapid growth in internet penetration and telecommunication technology. The expansion of the consumer base is complimented by the Government's drive to digitalise the economy, all of which is propelling the demand for data centres in India. This has enhanced the Group's capabilities to expand its business into data centre and related infrastructure. The Group has received the requisite approval from the concerned authority for the development of an additional sector i.e. Electronic Hardware and Software (including IT/ITES) at its existing facility at FTWZ, Panvel.

A detailed business plan validation has been carried out by the Parent Company through a reputed global consulting firm for business development of the FTWZ and data centre businesses. The outcome of the same is extremely encouraging.

Locations of both the FTWZ of the Group are most strategically located for carrying out manufacturing, trading and warehousing activities. This has been well recognised by many marquee existing clients and new clients. This has thrown up a large opportunity for which the Group is now bracing itself and is confident of seeing positive results in coming years.

Further Government's focus on development of logistic infrastructure for future growth in economy has resulted in recognising as "Infrastructure" a sub-sector as "Transport and Logistics" from the earlier sub-sector of "Transport". According to the Government notification, logistics infrastructure includes "Multimodal Logistics Park comprising Inland Container Depot (ICD)".

The Group is already equipped with world class logistic infrastructure at Khurja, which is strategically located at the confluence of Western and Eastern Dedicated Freight Corridor (DFC). The DFC will improve efficiency and cargo deliverables. Commissioning of the DFC could benefit customers by operation of longer, heavier and faster train services which will improve operational efficiency. The commencement of work on the proposed Jewar Airport which is in close proximity to Khurja will also boost the Group's business.

In light of all the above developments and considering the ongoing transaction executed with Ascendas for monetisation of a new multi-storied warehouse at Panvel and given the fact that the facilities have been built at strategic locations, and growing demand of warehousing the management's view on the future outlook of its business is very promising.

Accordingly, the Financial Statements of the Parent Company and its subsidiaries have been prepared on going concern basis.

(b) The Subsidiary Company i.e. ANFL has incurred net loss of ₹ 7,823.89 Lakh during the year ended 31st March, 2021 and as of that date, the Subsidiary Company's current liabilities exceeded by its current assets by ₹ 63,064.06 Lakh. The Subsidiary Company have accumulated losses of ₹ 40,932.22 Lakh as at 31st March, 2021. Some of its lenders have recalled their loans and the subsidiary Company is in the process of negotiating the revised payment terms with the lenders. In view of the focussed emphasis of the Government on logistics infrastructure sector, considering the fact that the facilities are yet to achieve full operational potential besides the strategic locations of the facilities.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

The Subsidiary Company is well connected to New Delhi via existing road and rail network. It is approximately 30 km from the Yamuna Expressway. The site is one of the key stations on the Eastern Dedicated Freight Corridor and is also close to the Western Dedicated Freight Corridor which provides it with advantage to cater to the North India bound cargo handled at the Western and Eastern ports. The proximity to the DFC is a key driver of demand for the business of the subsidiary Company . The proposed international airport at Jewar being developed by eateemed developer's near to the subsidiary Company's site. It is expected that the Jewar airport will provide a significant boost to the business of the clients operating from the Khurja FTWZ, which in turn would help the Vendor to scale-up storage space requirements in the Warehouse.

The Subsidiary Company had signed the Share Purchase Agreement (SPA) with the Investor for monetising one income generating warehouse subject to completion of certain Condition Precedent and freeze the understanding on Forward Purchase of remaining existing two warehouses and balance future potential development with construction finance. The Subsidiary Company is in the process of meeting its obligations by way of monetization of its assets and expected value of monetisation of such assets along with future development potential is more than outstanding obligations. Further, based on financial support from the Parent Company, the financial statements of the subsidiary Company have been prepared on a "Going Concern" basis.

(c) The Subsidiary Company i.e. ALSL has earned net profit of ₹0.35 lakhs during the year ended 31st March, 2021 and the Subsidiary Company's current liabilities at ₹ 1,989.66 lakhs (including payables to fellow subsidiaries of ₹ 1,079.60 lakhs) has exceeded its current assets at ₹ 1,752.08 lakhs as on 31st March, 2021. Due to accumulated losses, Net-worth of the Subsidiary Company eroded. The focussed emphasis of the Government on logistics infrastructure sector is a big boon for the Subsidiary Company's business plan. The recent amendments in the SEZ policy, allowing manufacturing within the FTWZs will enhance the scope of activities carried out by FTWZ exponentially and will improve the Subsidiary Company's ability to expand the client base multi-fold. This will enable the Subsidiary Company to offer additional value propositions to its clients and increase its business to a great extent, including 'Contract Manufacturing' in line with Global Free Zones. The management's view on the future outlook of its business is very promising. This has been well recognised by many marquee existing clients and new clients. This has thrown up a large opportunity for which the Subsidiary Company is now bracing itself and is confident of seeing positive results in coming years. The Subsidiary Company also focusing on higher margin business and focusing on cost control at Panvel FTWZ. Further, the Subsidiary Company is in the process of raising additional infusion of equity capital from the Parent and and the Subsidiary Company is strategic to the overall business of FTWZ Panvel including for the business of the aforesaid fellow subsidiary which constitute substantial portion of warehousing expenses and trade payables, the management has assessed that the Subsidiary Company continues to be going concern.

(d) As per business plan of the Subsidiary Company i.e. AIPL, the subsidiary company had acquired land for development of 1 new warehouses. Further for construction financing of new warehouse, the Subsidiary Company had entered into Debenture Subscription Agreement with Ascendas IT Park (Chennai) Limited ("ITPC"), a subsidiary of Ascendas India Trust, for funding the development of Double Storied Warehouse.

Further, the Subsidiary Company, the parent company Arshiya Limited (AL), and Ascendas Property Fund (India) Pte. Ltd. ("APFI") (the Trustee-Manager of Ascendas India Trust) had entered into a conditional Share Purchase Agreement for sale of the entire equity shares of the Company, currently held by AL, to APFI upon fulfilment of certain preceding conditions including, but not limited to, the completion of the Warehouse Building and leasing of said warehouse. As per agreed terms between parties, upon fulfilment of certain CPs, APFI will fund into AIPL a sum of Rs. 214 Crores (more define in transaction agreements) and the company will clear its obligation from said funds.

Hence considering the ongoing transaction executed with Ascendas for monetisation of a new multi-storied warehouse at Panvel and given the fact that the facilities have been built at strategic locations, the subsidiary company is confident to meet its obligations and accordingly, the management of the subsidiary company has prepared its financial on a going concern basis.

(e) The Subsidiary Company i.e. ANPPL has plan to acquire the long-term leasehold rights in the specific Warehouse no 54 "Property" (WH-54) from the Arshiya Northern FTWZ Ltd (ANFL). The Transaction under discussion for WH-54, Modern Grade-A warehouse with a total leasable area of approximately 191,582 square feet. The Subsidiary Company shall acquire long-term leasehold rights in the Property. Ascendas Property Fund India (APFI) will fund the subsidiary company for buying said warehouse at pre-agreed price consideration of ₹ 10,600 Lakhs for pre-lease WH-54 as per pre-agreed terms under Transaction Documents. As per transaction post that APFI shall purchase 100.0% equity shares in the Subsidiary

Notes to the Consolidated financial statements for the year ended 31st March, 2021

Company subject to completion of certain conditions precedent stipulated in Share Purchase Agreement dated March 11, 2020. The Subsidiary Company will pay its liabilities from expected consideration to be received from APFI.

Currently, ANFL is providing storage and value-added services such as packing, labelling, tagging etc. to Reputed Clients and expected to complete the aforesaid monetisation before end of FY-22. As we are aware that the whole world has faced a Global Pandemic of Covid-19 due to which certain restrictions within the nations have caused a significant delay in monetization of warehouses whereby monetization process has been shifted and would be concluded before FY-22.

In view of above considering gross value of future monetization value which is around 10,600 Lakhs, the management of the company have prepared accounts on going concerned basis.

(f) The Subsidiary Company i.e. A3PL has incurred a net loss of Rs. 158.05 lakh during the year ended 31st March, 2021 and Rs. 82.55 during the previous year ended 31st March 2020 and as of that date the subsidiary Company's accumulated losses amount to Rs. 241.30 lakh resulting in negative net worth of the Subsidiary Company. The Subsidiary Company operation was continued during Covid-19 but slightly impacted. However management has appointed for reputed consulting firm for business development and hope to get good business volume in coming years.

Further the Parent Company, has given a support letter to extend, for the foreseeable future, any financial support which may be required by the Subsidiary Company. Also the Parent Company has given assurance of infusion of capital for support. Hence the financials are prepared on going concern basis.

48 The Parent Company is engaged in the business of development, operations and maintenance of Free Trade and Warehousing Zone (FTWZ) and Domestic Warehousing Zone. Certain portion of Land at FTWZ which was classified under Property, Plant and Equipment (PPE) had transferred to inventories at their carrying amounts for future developments.

49 The Parent Company and its subsidiaries have defaulted in agreed repayment schedule of Restructuring Agreement (RA). As per debt covenant, the Parent Company and its subsidiaries are required to adhere to repayment schedule and any short payment gives Edelweiss Asset Reconstruction Company (EARC) the right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Parent Company. No such notice of conversion in writing has been given by EARC and the Parent Company and its subsidiaries continues to disclose the amount as non-current and current borrowings as per repayment schedule, in the Consolidated financial statement.

50 Upon signing of Restructuring Agreement with Edelweiss Assets Reconstruction Company Limited (EARC) on 31st March 2017, the Group is accruing penal interest on restructured debt @ 8% p.a. based upon the balance confirmation provided by EARC till 30th September 2019 against the documented rate of 18% per annum. It has resulted in the short provision of penal interest amounting to ₹ 3,070.96 Lakh till the year ended 31st March, 2020 and amounting to ₹ 3,908.25 Lakh for the year ended 31st March 2021. In aggregate penal interest provisions are lower by ₹ 6,979.21 Lakh till 31st March 2021. The Group represented to EARC for revision in penal interest and the same is under discussion.

51 During the previous year ended 31st March, 2019, the Parent Company has defaulted in payment of ₹ 2,000.00 Lakh as per Consent Terms signed with one of the Non-Banking Financial Company (NBFC). During the pendency of litigation, the said NBFC has assigned its debt to Edelweiss Asset Reconstruction Company (EARC) during the year end 31st March, 2020 against payment of outstanding amount under the said Consent Terms. Upon acknowledgement of payment from EARC, the High Court of Bombay disposed off the case. In line with High Court of Bombay order, the Parent Company recorded liabilities in name of EARC payment made by them to NBFC. Pursuant to said assignment of debt, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges.

The Parent Company continues to provide interest in line with major terms negotiated with EARC until the finalisation of the restructuring agreement. Upon finalization of the terms of restructuring with EARC, the Parent Company shall record the effect of the revised terms as to the repayment of principal and interest in the period in which it is completed.

52 During the year ended 31st March, 2018, a Public Financial Institution (PFI) agreed to settle their outstanding loan constituting principle and interest of ₹ 16,700.00 Lakh by signing of Settlement Terms. Settlement Terms involves payment of ₹ 5,000.00 Lakh and balance amount of ₹ 11,700.00 Lakh, by way of allotment of Optionally Convertible Redeemable Preference Shares - V (OCRPS - V), convertible upto 15,50,000 equity shares of the Parent Company at the option of the PFI and necessary effect has been given in the books of accounts during the year ended 31st March, 2018. As per shareholder approval, on dated 29th January 2018, the

Notes to the Consolidated financial statements for the year ended 31st March, 2021

Parent Company has approved allotment of 11,70,000 OCRPS – V and the same was converted into 15,50,000 Equity shares on 22nd February, 2018 as per Settlement Terms. Subsequently the PFI and Parent Company filed Settlement Terms in the Hon'ble High Court of Bombay under ongoing litigation against the Parent Company and court has recorded allotment of the equity shares as exercised by the PFI and outstanding debt remains at ₹ 5,000.00 Lakh.

During the pendency of litigation, the PFI has assigned their debts to Edelweiss Asset Reconstruction Company Ltd(EARC) during 31st March, 2019. The upon acknowledgement of receipts of outstanding of ₹ 5,000.00 Lakh dues under Settlement Terms, the Court has disposed off the said litigation. In line with High court order, the Parent Company recorded liabilities in name of EARC for payment made by them to PFI. Pursuant to said assignment of debt, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges. The Parent Company continues to provide interest in line with major terms negotiated with EARC until the finalisation of the restructuring agreement. Upon finalization of the terms of restructuring with EARC, the Parent Company shall record the effect of the revised terms as to the repayment of principal and interest in the period in which it is completed.

53 A subsidiary Company i.e. Arshiya Rail Infrastructure Limited had entered into one-time settlement (OTS) with a Bank during the previous year ended 31st March, 2019 and the effect was taken as an exceptional item during the previous year ended 31st March, 2019. However, the subsidiary Company has defaulted in payment as per the terms of the OTS. As a result, the subsidiary Company needs to reverse the exceptional gain recorded the previous year ended 31st March, 2019 and needs to recognise Interest on the entire liability as per the original terms. The subsidiary Company is in discussion with the lender for additional time to repay.

The subsidiary Company has not reversed the gain, nor provided for additional interest. Had the Subsidiary Company reversed the gain and provided for additional interest, exceptional item would have been lower by ₹ 6,604.55 Lakh and finance cost would have been higher by ₹ 9,012.15 Lakh (31st March, 2020 - ₹ 5,975.95 Lakh) having consequential impact on total comprehensive income for the year ended 31st March, 2021.

54 The Hon'ble National Company Law Tribunal (NCLT), Mumbai by its order dated 6th December 2019 has approved Scheme of Arrangement for Amalgamation of Arshiya Industrial and Distribution Hub Limited (AIDHL) and Arshiya Transport and Handling Limited (ATHL) into Arshiya Rail Infrastructure Limited (ARIL), all wholly owned subsidiaries of the Parent Company. Pursuant to the order the scheme has become effective on 6th January 2020 and, AIDHL and ATHL stand amalgamated with ARIL from the appointed date i.e. 1st October 2015 based on the accounting treatment prescribed in the scheme. In consideration, 1 equity share of ARIL of Rs. 10 each fully paid up for every 1 equity share held by the Parent Company in AIDHL and ATHL.

55 The Board of Directors of the Parent Company at their meeting held on 24th May, 2018, had approved a Composite Scheme of Arrangement for demerger of the Domestic Business undertaking of the Parent Company with Arshiya Rail Infrastructure Limited ("ARIL") to reorganize its corporate structure spread across group companies and in order to integrate / consolidate its operations.

A Court convened Extra Ordinary General Meeting of Equity Shareholders of the Parent Company was held on 13th January 2020, pursuant to the Order dated 9th December 2019 passed by the Hon'ble NCLT. The shareholders of the Parent Company have approved the Composite Scheme of Arrangement between the Arshiya Limited ("Demerged Company") and Arshiya Rail Infrastructure Limited ("Resulting Company").

The said Scheme has been approved by shareholders, unsecured and secured creditors of the respective companies. A Joint Petition has been admitted by Hon'ble NCLT, Mumbai on 15th June, 2021 for sanctioning of the aforesaid Scheme and the said petition is fixed for hearing before the Hon'ble NCLT, Mumbai on 8th July, 2021. The Scheme shall be given effect after receipt of necessary regulatory approvals.

56 Indirect Tax Refund Receivable

(i) As per the Notification dated 16th May, 2013 issued by Government of Maharashtra, MVAT exemption /refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Parent Company has claimed refund of ₹1,684.55 Lakh in respect of transactions prior to record date, as the Parent Company is of the view that the State Government has exempted it from Local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra. The Parent Company has filed an appeal before High Court of Bombay challenging the Constitutional validity of MVAT on various grounds and has claimed refund of ₹1,108.80 Lakhs. The Appeal has been admitted, issues are framed and final hearing is pending. Further

Notes to the Consolidated financial statements for the year ended 31st March, 2021

MVAT refund claim of 575.75 Lakhs is pending with Sales Tax Department as the matter is of similar case. Accordingly, these financial statements reflect a sum of ₹1,684.55 Lakhs as refund receivable on account of MVAT. In case the refund is not granted, the necessary adjustment entries shall be recorded in the year in which finality is reached.

(ii) Refunds receivable in respect of VAT, Service Tax, Local Entry Tax and Service Tax pertaining to ANFL for which appeals are pending with respective Appellate Authorities. The Management is of the view that the refunds claimed as above aggregating to ₹ 354.37 Lakh are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds.

57 ARIL has procured certain capital goods under EPCG scheme at concessional rate of duty. On non fulfillment of certain conditions, ARIL may become liable to pay differential custom duty along with interest thereon such procurement. Five EPCG licenses are closed with release of corporate guarantee. The management is hopeful of completing the expected obligation within the stipulated time for balance one EPCG license.

58 Two lenders of ARIL has filed a suit with Debt Recovery Tribunal ("DRT"), New Delhi, towards recovery against Arshiya Rail Infrastructure Limited, the Parent Company as a Corporate Guarantor and two Promoter Directors of the Parent Company as Guarantors. The same is pending before the DRT, New Delhi. The matter is sub-judice.

59 Punjab National Bank (PNB) and State Bank of India (SBI) has filed a suit with Debt Recovery Tribunal ("DRT'), New Delhi, towards recovery against Arshiya Northern FTWZ Limited as a borrower, the Parent Company as a Corporate Guarantor and two promoter directors of the Parent Company as Guarantors, for ₹ 35,732.23 Lakh. The same is pending before the DRT, New Delhi. The matter is sub-judice.

60 During the previous year ended 31st March, 2020, exceptional items include Rs. 7,500.00 Lakh towards settlement of disputed statutory liability related to its erstwhile wholly owned subsidiary. Post hiving off this Subsidiary, the Group had received a notice from the aforesaid erstwhile Subsidiary informing about the litigation with respect to statutory liability under Finance Act, 1994, pertaining to the period, when it was a subsidiary of the Parent Company. Based on the opinion and advise received from independent professionals and experts, to avoid probable litigation(s), a Settlement Agreement has been entered into with the erstwhile Subsidiary.

61 During the year ended 31st March 2021, certain movable assets (Rakes and Containers) of ARIL has been sold for a net sale consideration of ₹ 14,756.57 Lakhs through auction process and lenders have appropriated the said sale proceeds against their dues. Further ARIL have sold few other movable assets for a consideration of ₹ 150.30 Lakhs and other non-usable assets has been discarded. Net gain of ₹ 1,907.20 Lakhs on such sale and discarding of movable assets have been accounted as other income.

62 As per provision of sub section 1 of section 203 of Companies Act, 2013 (w.e.f. 1st April, 2014), ANFL is required to appoint a Company Secretary. However, ANFL has not complied with the said requirement and is in the process of identifying a suitable candidate for this role.

63 Assets held for sale

63.1 The Parent Company has entered into conditional Share Purchase Agreements with Ascendas Property Fund (India) Pte. Ltd. ("APFI") for sale of entire equity shares of Anomalous Infra Private Limited ("AIPL") and Arshiya Northern Projects Private Limited ("ANPPL") to APFI, upon fulfilment of certain conditions precedent and is subject to various approvals. Hence, assets and liabilities in AIPL and ANPPL has been considered as "Assets and Liabilities held for sale and Discontinued Operations".

63.2 Board of directors of the Subsidiairy Company i.e. ANFL had approved plan to monetize its World class A grade assets. One of Warehouse numbered as Warehouse No 54 having total leasable area of approximately 191,582 square feet spread over about 4.5 Acres of land and is part of a FTWZ facility that is spread over approximately 127.0 acres with estimated future development potential of approximately 3.0 million square feet besides the 2 existing warehouse already constructed.

The Monetization will be structured in the form of acquisition of one of co-developer entity, that will acquire the long-term leasehold rights in the Property from ANFL. On completion of Condition Precedent (CPs), APFI will aquire such co-developer entity i.e. ANPPL along with Warehouse on long term lease basis.

Hence the said assets of ANFL has been considered as "Assets and Liabilities held for sale".

Notes to the Consolidated financial statements for the year ended 31st March, 2021

64.1 During the year ended 31st March, 2020, the shareholders of the Parent Company have approved re-classification of the authorised share capital from existing Authorised Share Capital of ₹ 6,050.00 Lakhs divided into 24,75,00,000 equity shares of ₹ 2/- each and 1,10,00,000 Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each has been reclassified into ₹ 6,050.00 Lakhs divided into 28,75,00,000 equity shares of ₹ 2/- each and 30,00,000 Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each.

64.2 During the year ended 31st March 2020, Issuance of 80,000 Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS) 2019 Series I of face value of ₹ 10/- each at a price of ₹ 1,000/- each amounting to ₹ 800 Lakhs towards part settlement of dues of EARC.

64.3 During the year ended 31st March, 2021, the Parent Company has allotted 25,00,000 equity shares to a lender upon conversion of 80,000 Zero percent Optionally Convertible Redeemable Preference Shares (OCRPS) and allotment of 17,00,000 equity shares to eligible employees under the Arshiya Limited Employee Stock Option Scheme 2019. Post allotment of aforesaid shares, the paid up capital of the Parent Company have been increased to Rs. 5,245.52 Lakh divided into equity shares 26,22,75,915 of face value of Rs. 2/- each

65 Share Based Payments

On 30th January, 2020 by virtue of approval accorded by the members of the Parent Company in respect of Arshiya Limited employees Stock Option Scheme, 2019 (hereinafter referred to as the "Scheme, 2019") the Board of Directors of the Parent Company approved grant of 17,50,000 (Seventeen Lakh Fifty Thousand Only) Employee Stock Options to some of the eligible and deserving employees of the Parent Company & a subsidiary under the Scheme, 2019.

The fair value of stock options has been determined at the date of grant of the stock options. This fair value, adjusted by the Parent Company's estimate of the number of stock options that will eventually vest, is expensed over the vesting period.

The fair values were calculated using the Black-Scholes Call Option Pricing Model for tenure based stock options. The inputs to the model include the share price based on the market price at date of grant, exercise price, expected life of options, annual volatility, expected dividends and the risk free rate of interest. Annual volatility has been calculated using median of comparable peers (to the extent data available). All options are assumed to be exercised within 1 year from the date of vesting period.

The assumptions used in the calculations of the charge in respect of the stock options granted are set out below:

Particulars	**ESOP 2019**
No. of Options	17,50,000
Exercise Price (in ₹)	2.00
Stock Price (in ₹)	17.00
Implied Volatility (in %)	64.52%
Risk free rate (in %)	5.20%
Time of Maturity (in Years)	1.50
Dividend Yield (in %)	0%
Fair value of Options (in ₹)	15.39
Option Granted Date	30th January 2020
Vesting Date	29th January 2021

The Group recognised total expenses of ₹ 216.62 lakh (31st March, 2020 - ₹ 45.01 lakh) to the above equity settled share based payment transactions. Equity settled employee stock options reserve outstanding with respect to the above scheme is Nil (31st March, 2020 - ₹ 45.01 lakh).

During the year ended 31st March 2021, the parent company has alloted 17,00,000 equity shares to eligible employees upon exercised under the Arshiya Limited Employee stock option scheme 2019 .

Notes to the Consolidated financial statements for the year ended 31st March, 2021

Movement of share options during the year as below:

(₹ in Lakh)

Particulars	31st March, 2021	31st March, 2020
Opening Balance	**17,50,000**	**-**
Add: No. of Options granted	-	17,50,000
Less: No. of Options Lapsed	(50,000)	-
Less: No. of Options exercised	(17,00,000)	-
Closing Balance	**-**	**17,50,000**

66 Two Subsidiaries i.e. ALL and ALSL have entered into agreements with a business group for providing storage space and other services. Total revenue from fixed storage of Rs. 900.06 lakhs and variable storage and other charges of Rs. 22.34 lakhs have been recognised during the year. Based on current business trend in metal sector and considering overall business conduct of the business group, management is confident to receive outstanding dues from the business group as per the payment schedule provided by them. The business group has been doing business in Panvel FTWZ since more than a decade and have cleared all their dues though there are some delays in payment. Further in the event of any default, the subsidiaries will be entitled to lien on their goods stored in FTWZ warehouses, as per terms of agreements. As on March 31, 2021 estimated value of cargo of the business group is higher than the outstanding dues to the subsidiaries. In view of aforesaid facts and further as per discussion with the business group and considering their future plans of business in our FTWZ, the management is confident that the outstanding balance of Rs. 1,116.37 lakhs as on March 31, 2021 from the business group are good and fully recoverable.

67 In one of the subisidary company i.e. ALSL's Trade receivables and other financial asset includes amounts aggregating to ₹ 322.11 Lakh (31st March, 2020 - ₹ 322.11 Lakh) (including unbilled amount of ₹ 255.45 Lakh) from four customers who have warehoused imported goods. The subsidiary has made collection efforts, but there have been no responses on the Subsidiary company's follow up with these customers and the Customers have not been traceable now.

The subsidiary has initiated recovery process by way of auction of the goods in the custody of the subsidiary based on the notification by SEZ authority. As a process, the subsidiary has submitted request to competent authority of SEZ to allow auction of goods in 65 containers and the valuer approved by the Customs authority has determined value of entire goods in 65 containers at ₹ 580.58 lakhs. Further, during the year, the subsidiary has identified a buyer and has entered into the Memorandum of Understanding (MOU) for sales of aforesaid goods for ₹ 276 Lakhs, against which the subsidiary has received an advance of ₹ 125 Lakhs and the subsidiary is in process of completion of transactions. Subsequent to the year end, the SEZ Authority has approved the auction of the said goods. Since, the value of the goods in custody of the subsidiary is sufficient to recover it's dues including statutory levies thereon, in view of the Management of the Company the receivables from those customers are fully recoverable and no provisions are required against those receivables.

68 The lender of ANFL and ARIL has filed petition against respective companies for recovery of dues at NCLT under Insolvency and Bankruptcy Code, 2016. The lender of ANFL has also called upon the Parent Company as corporate guarantor to said loan. The matter is pending for pre-admission stage.

69 The lender of the Parent Company has filed petition against the Parent Company for recovery of dues at Debt Recovery Tribunal (DRT). The matter is subjuidice.

70 Certain creditors have initiated legal proceedings against the Group and its Directors. Majority of the creditors have been settled over the past few years and some of the creditors have shown interest and faith in the Group as well as in the logistics infrastructure sector and agreed to settle their outstanding liability by converting into Compulsory Convertible Debenture (CCDs) of the Parent Company.

During the year ended 31st March, 2020 the Board of Directors of the Parent Company has approved allotment of 1,42,42,873 equity shares of face value of ₹ 2/- each to the allottees upon conversion of 4,55,772 Compulsory Convertible Debentures (CCD's) of face value of ₹ 1,000/- each which were issued to the Creditors, as per SEBI regulation.

During the year ended 31st March, 2020 the Parent Company has allotted 2,18,750 equity shares of ₹ 2/- each at a price of ₹ 32/- per share on preferential basis to one of the creditors towards outstanding liabilities of ₹ 70.00 Lakhs.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

Certain creditors have initiated for winding up pretition against the Parent Company and two subsidiaries. The Parent Company and two subsidiaries is in process of negotiating and finalising the revised consent terms and/or making representations to the respective forum.

71 Disclosure pursuant to Indian Accounting Standard (IND AS) 108 – Segment Information

71.1 Primary Segment Information

The Group operates in three primary reportable business segments, i.e. “Free Trade and Warehousing Zone (FTWZ) / Special Economics Zone (SEZ)” and “Rail Transport Operations / Inland Container Depot (ICD)” and “Domestic Warehousing Zone” and one geographical segment i.e. India as per Accounting Standard 108 – “Segment Reporting”.

71.2 Segment Revenue, results, assets and liabilities

Revenue and results have been identified to a segment on the basis of relationship to operating activities of the segment.

Segment assets and segment liabilities represent assets and liabilities in respective segments. Segment assets include all operating assets used by the operating segment and mainly includes trade receivable, inventories and other receivables. Segment liabilities primarily include borrowings, trade payables and other liabilities. Assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets and liabilities.

71.3 The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of the nature of services.

71.4 Segmental Information as at and for the year ended 31st March, 2021 is as follows:-

(₹ in Lakh)

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
Segment Revenue		
FTWZ / SEZ	14,278.42	14,773.21
Rail Transport Operations/ICD	7,230.78	14,079.50
Domestic Warehousing	554.83	595.64
Less: Inter Segment	-	-
Total Revenue from Operations	**22,064.03**	**29,448.35**
Segment Results Before Tax and Interest		
FTWZ / SEZ	2,502.59	2,223.56
Rail Transport Operations/ICD	268.72	(5,017.48)
Domestic Warehousing	(897.61)	(830.08)
Total Segment Result	**1,873.70**	**(3,624.00)**
Less: Unallocated Expenses net of Income	3.55	(63.97)
Less: Finance Costs	38,460.21	33,625.39
Less: Exceptional Items (Net)	-	7,810.00
Loss before tax	**(36,590.06)**	**(44,995.42)**
Less: Tax Expenses	8.64	1,109.93
Loss after tax	**(36,598.70)**	**(46,105.35)**

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
Segment Assets		
FTWZ / SEZ	1,72,911.54	1,78,898.00
Rail Transport Operations/ICD	50,612.22	68,516.88
Domestic Warehousing	46,146.51	47,576.98
Unallocated	2,528.03	296.51
Total Assets of Continuing Operations	**2,72,198.30**	**2,95,288.37**
Assets of Discontinuing Operations	18,845.39	15,317.13
Total Assets of Continuing and Discontinuing Operations	**2,91,043.69**	**3,10,605.50**
Segment Liabilities		
FTWZ / SEZ	23,114.34	26,508.00
Rail Transport Operations/ICD	4,955.09	7,972.45
Domestic Warehousing	108.45	99.46
Unallocated	2,78,472.63	2,58,894.43
Total Liabilities of Continuing Operations	**3,06,650.51**	**2,93,474.34**
Liabilities of Discontinuing Operations	7,668.02	3,668.65
Total Liabilities of Continuing and Discontinuing Operations	**3,14,318.53**	**2,97,142.99**
Other Disclosures		
Capital Expenditure		
FTWZ / SEZ	44.74	5,898.68
Rail Transport Operations/ICD	4.59	3.21
Domestic Warehousing	-	-
Unallocated	-	-
Total	**49.33**	**5,901.89**
Depreciation and amortisation expenses		
FTWZ / SEZ	7,297.95	7,657.37
Rail Transport Operations/ICD	3,395.88	5,234.01
Domestic Warehousing	1,388.93	1,393.59
Unallocated	-	-
Total	**12,082.76**	**14,284.97**
Non-cash Expenditure		
FTWZ / SEZ	1,040.27	622.23
Rail Transport Operations/ICD	-	16.11
Domestic Warehousing	-	-
Unallocated	-	-
Total	**1,040.27**	**638.34**

Notes to the Consolidated financial statements for the year ended 31st March, 2021

71.5 Entity-wide disclosure required by IND AS 108 are made as follows:

(a) Revenue from external sales and services

(₹ in Lakh)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
India	22,064.03	29,448.35
Outside India	-	-

(b) Segment Assets

All assets are within India only.

71.6 Information about major customers:

Revenues from 10 customers (31st March 2020 - 10 customers) aggregating to ₹ 10,092.01 Lakh (31st March, 2020 - ₹ 17,540.89 Lakh) exceeds 10% or more during the FY 2020-21.

72 Related party disclosures, as required by Indian Accounting Standard 24 "Related Party Disclosures" (IND AS-24) as given below:

(I) Person having significant influence over the Company

Mr. Ajay S Mittal – Chairman and Managing Director

Ms. Archana A Mittal – Joint Managing Director

(II) Key Management Personnel

Mr. Ashish Bairagra - Independent Director

Mr. Mukesh Kacker - Independent Director (till 9th September, 2019)

Mr. Rishabh Shah - Independent Director

Ms. Manjari Ashok Kacker - Independent Director (w.e.f. 30th January, 2020)

Mr. Ved Prakash - Independent Director (w.e.f. 27th June, 2020)

Mr. Tara Sankar Bhattacharya - Independent Director (till 27th June, 2020)

Mr. S. Maheshwari - Chief Financial Officer of Arshiya Limited and Group President (till 30th June, 2019)

Mr. Dinesh Kumar Sodani - Chief Financial Officer of Arshiya Limited (w.e.f. 9th August, 2019)

Ms. Savita Kodian - Company Secretary and Compliance Officer (till 26th April, 2020)

Ms. Yesha Maniar - Company Secretary and Compliance Officer (w.e.f. 25th August, 2020 to 31st October, 2020)

Ms. Ratika Gandhi - Company Secretary and Compliance Officer (w.e.f. 12th February, 2021)

Mr. Navnit Choudhary - Chief Financial Officer of Arshiya Northern FTWZ Limited

Mr. Amit Gupta - Chief Executive Officer of Arshiya Northern FTWZ Limited (w.e.f. 27th June, 2020)

Mr. Siddarth Kasturia - Chief Executive Officer of Arshiya Northern FTWZ Limited (w.e.f. 8th April, 2019 to 31st January, 2020)

Mr. Amardeep Gupta - Chief Financial Officer of Arshiya Rail Infrastructure Limited (w.e.f. 26th March, 2019 to 16th March, 2020)

Mr. Rama Narayan Devadiga - Chief Financial Officer of Arshiya Rail Infrastructure Limited (w.e.f. 25th August, 2020 to 11th February, 2021)

Ms. Avani Dipakkumar Lakhani - Company Secretary of Arshiya Rail Infrastructure Limited (till 5th May, 2021)

Mr. Sarvothama Shetty - Chief Executive Officer of Arshiya Rail Infrastructure Limited (w.e.f. 27th June, 2020)

Mr. Siddarth Kasturia - Chief Executive Officer of Arshiya Rail Infrastructure Limited (w.e.f. 26th March, 2019 to 31st January,

Notes to the Consolidated financial statements for the year ended 31st March, 2021

2020)

(III) Relative of Person having significant influence over the Parent Company

Mr. Ananya Mittal – Corporate Strategy Officer

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

Noval FTWZ Limited (formaly known as Arshiya Central FTWZ Limited)
Laxmipati Balaji Supply Chain Management Limited (w.e.f. 3rd September, 2019)
Rudradev Properties Private Limited

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

(₹ in Lakh)

Nature of transactions	Name of the Party	31st March, 2021	31st March, 2020
Remuneration paid to Key Managerial Person and Relative of Person having significant influence over the Group	Mr. Ananya Mittal	24.30	27.06
	Mr. S. Maheshwari	-	44.82
	Mr. Dinesh Kumar Sodani	51.70	34.47
	Ms. Savita Kodian	4.68	16.45
	Ms. Avani Dipakkumar Lakhani	5.93	6.43
	Ms. Ratika Gandhi	3.12	-
	Mr. Amardeep Gupta	-	21.17
	Mr. Siddarth Kasturia	-	50.45
ESOP Excerised at face vale ₹ 2/-	Mr. Dinesh Kumar Sodani	5.00	-
Director sitting fees	Mr. Ashishkumar Bairagra	1.25	1.40
	Mr. Rishabh Shah	1.20	0.90
	Mr. Ved Prakash	0.80	-
	Ms. Manjari Ashok Kacker	0.60	0.40
	Mr. T S Bhattacharya	-	0.20
	Mr. Mukesh Kacker	-	0.20
Interest income	Noval FTWZ Limited	45.50	45.62
Interest expenses	Rudradev Properties Pvt Ltd.	4.80	-
Payment of Electricity	Laxmipati Balaji Supply Chain Management Limited	37.78	-
Disposal of Property, Plan and Equipment	Laxmipati Balaji Supply Chain Management Limited	334.83	-
Loans and Advances taken	Mr. Ajay S Mittal	395.39	100.00
	Ms. Archana A Mittal	608.60	420.39
	Rudradev Propoerties Private Limited	100.00	-
Loans and Advances taken repaid/adjusted	Mr. Ajay S Mittal	422.01	96.19
	Ms. Archana A Mittal	540.90	331.97
	Rudradev Propoerties Private Limited	96.55	-
Investments purchased from	Mr. Ajay S Mittal	-	0.50
	Mr. Ananya Mittal	-	0.50

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Nature of transactions	Name of the Party	31st March, 2021	31st March, 2020
Investments sold to	Mr. Ajay S Mittal	-	5.00
	Mr. Ananya Mittal	-	5.00

Closing Balances

(₹ in Lakh)

Nature	Related Party	As at 31st March, 2021	As at 31st March, 2020
Loans and Advances taken	Mr. Ajay S Mittal	77.07	103.70
	Ms. Archana A Mittal	211.32	143.63
	Rudradev Propoerties Private Limited	4.44	-
Loan given including interest	Noval FTWZ Limited	408.07	366.17
Other recoverable	Laxmipati Balaji Supply Chain Management Limited	334.83	61.52
Trade Payable	Laxmipati Balaji Supply Chain Management Limited	5.02	-
Creditors for Capital Goods	Laxmipati Balaji Supply Chain Management Limited	0.62	-
Personal guarantees taken	Mr. Ajay S Mittal	3,27,312.00	3,30,312.00
	Mrs. Archana A Mittal	3,16,762.00	3,19,762.00

73 Earnings per share:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Profit/(loss) for the year from Continuing Operations (₹ In Lakh)	(36,598.70)	(46,105.35)
Profit/(loss) for the year from Discontinuing Operations (₹ In Lakh)	(224.44)	(111.10)
Profit/(Loss) for the year (₹ in Lakh)	(36,823.14)	(46,216.45)
Add: Interest adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	-	5.32
Add: Share based payment	-	45.01
Total Profit/(Loss) for the year for diluted EPS (₹ in Lakh)	(36,823.14)	(46,166.12)
Number of equity shares		
Weighted average number of equity shares (Number)	25,86,51,257	24,70,79,124
Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	-	14,34,426
Add: Employee Stocks Options (ESOP)	-	15,22,580
Total Weighted average number of equity shares/OCRPS/ESOP	25,86,51,257	25,00,36,129
Nominal value per share (Amount in ₹)	2.00	2.00
Earnings per share for continuing operation – Basic and Diluted (Amount in ₹)	(14.15)	(18.66)
Earnings per share for discontinuing operation– Basic and Diluted (Amount in ₹)	(0.09)	(0.04)
Earnings per share for continuing and discontinuing operation– Basic and Diluted (Amount in ₹)	(14.24)	(18.70)

0% OCRPS and ESOP had an anti diluting effect on earning per share hence have not been consider for the purpose of computing dilutive earning per share during the previous year ended 31st March, 2020.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

74 Taxation

74.1 Tax Reconciliation

(₹ in Lakh)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Reconciliation of tax expense		
Profit before tax	(36,814.50)	(45,106.52)
Enacted income tax rate (%) applicable to the Company	26.00%	26.00%
Tax expenses calculated at enacted income tax rate	(9,571.77)	(11,727.70)
Related to Property plant & equipment	801.37	581.77
Effect of Expenses that are not deductible in determinig taxable profit	13,842.23	10,938.90
Effect of Income that are not considered in determinig taxable profit	(2,200.71)	(428.28)
Tax holiday benefit avail under section 80IAB of Income Tax Act, 1961	(7.76)	(1,426.12)
Effect fo unsued Tax Losses	(2,863.36)	2,061.43
Tax paid under provision of Minimum Alternate Tax (MAT)	8.64	6.97
Earlier Year tax	-	1,102.96
Income tax expense recognised in the consolidated statement of profit and loss	8.64	1,109.93

74.2 Unused tax losses for which no deferred tax assets has been recognised

(₹ in Lakh)

Assessment Year	Business Loss	Available for utilization till	Unabsorbed Depreciation
2012-2013	-		4,196.94
2013-2014	-		2,379.39
2014-2015	14,740.34	A.Y. 2022-2023	11,086.57
2015-2016	316.00	A.Y. 2023-2024	12,973.33
2016-2017	4,820.91	A.Y. 2024-2025	14,830.41
2017-2018	78,891.35	A.Y. 2025-2026	14,095.02
2018-2019	16,364.16	A.Y. 2026-2027	9,661.01
2019-2020	585.75	A.Y. 2027-2028	7,942.54
2020-2021	772.81	A.Y. 2028-2029	7,175.84
2021-2022	9,833.41	A.Y. 2029-2030	2,440.69
Total	**1,26,324.73**		**86,781.74**

(₹ in Lakh)

Assessment Year	Long term Capital Loss	Available for utilization till
2016-2017	2,152.06	A.Y. 2024-2025
2019-2020	526.93	A.Y. 2027-2028
Total	**2,678.99**	

Notes to the Consolidated financial statements for the year ended 31st March, 2021

Deferred tax assets as at 31st March, 2021 Rs. 49,319.15 Lakh (31st March, 2020 - Rs. 54,696.25 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilized by the Group. Details of deferred tax assets are mentioned below:

(₹ in Lakh)

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Property, plant and equipment	14,552.16	16,439.17
Unabsorbed depreciation	(22,563.25)	(15,901.34)
Expenses disallowable under the Income Tax act	(6,639.19)	(28,959.63)
Unabsorbed losses	(33,401.69)	(27,853.56)
Financial Instruments	(1,267.18)	1,579.11
Total Deferred tax assets	**(49,319.15)**	**(54,696.25)**

75 Financial Risk Management

The Group's principal financial liabilities comprises of borrowings, trade and other payables and financial guarantees contracts. The main purpose of these financial liabilities is to manage for the Group's operations. The Group's financial assets comprises of trade and other receivables, cash and deposits that arises directly from its operations.

The Group's activities expose it to variety of financial risks including credit risk, liquidity risk and market risk. The Group's risks management assessment, management and processes are established to identify and analyze the risks faced by the Group to set up appropriate risks limits and controls, and to monitor such risks and compliances with the same. Risks assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

Risk	**Exposure arising from**	**Measurement**	**Management**
Credit risk	Cash and cash equivalents, trade receivables, financial instruments, financial assets measured at amortised cost.	Ageing analysis	Regular review of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Unhedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Unhedged

The Group's risk management is carried out by a corporate finance team under the policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas, such as credit risk, interest rate risk.

(a) Credit Risk

The Group is exposed to credit risk, which is risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. Credit risk arises from cash and cash equivalents as well as credit exposures to trade customers including outstanding receivables.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Credit risk is high as only few customers' account for majority of the revenue in the year presented. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(b) Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations without incurring unacceptable losses. The Group's objective is to, at all times; maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group limits its liquidity risk by ensuring regular monitoring of funds from trade and other receivables. The Group relies on assets light business model through monetization of assets and tie-up of construction funding and operating cash flows to meet its needs for funds.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Contractual maturities of financial liabilities

(₹ in Lakh)

Particulars	less than 1 year	1 to 5 years	More than 5 year
31st March, 2021			
Financial liabilities			
Borrowings	90,001.55	88,381.93	-
OCRPS (Equity and Liability Component)	-	1,200.00	-
Trade payables	2,520.65	-	-
Creditors for Capital Goods	2,743.32	-	-
Lease Liabilities	4,604.37	10,401.83	-
Other financial liabilities	1,01,993.50	893.12	-
Total	**2,01,863.39**	**1,00,876.88**	**-**
31st March, 2020			
Financial liabilities			
Borrowings	73,182.89	1,10,399.23	-
OCRPS (Equity and Liability Component)	-	1,200.00	800.00
Trade payables	2,844.43	-	-
Creditors for Capital Goods	2,786.19	-	-
Lease Liabilities	5,149.50	13,930.20	-
Other financial liabilities	78,674.39	125.30	-
Total	**1,62,637.40**	**1,25,654.73**	**800.00**

(c) Market Risk

Market Risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: 1) Foreign currency risk and 2) Interest rate risk.

1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flow or an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

1.1 Foreign currency risk exposure

(i) 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 INR
		(Amount in Lakh)	(₹ in Lakh)
Bank balances			
USD	31st March, 2021	-	-
	31st March, 2020	0.06	4.69
Trade receivables			
USD	31st March, 2021	23.85	1,753.49
	31st March, 2020	20.34	1,529.55
EUR	31st March, 2021	3.97	341.21
	31st March, 2020	2.19	181.60
Security Deposit from customers			
USD	31st March, 2021	3.20	266.19
	31st March, 2020	7.06	539.51
EUR	31st March, 2021	-	-
	31st March, 2020	0.02	1.44
AED	31st March, 2021	0.28	5.56
	31st March, 2020	0.28	5.71
Advance from customers			
USD	31st March, 2021	0.002	0.41
	31st March, 2020	0.13	9.85
EUR	31st March, 2021	-	-
	31st March, 2020	0.0003	0.02
AED	31st March, 2021	-	-
	31st March, 2020	0.04	0.75

1.2 Sensitivity

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(₹ in Lakh)

Particulars	Increase/(decrease) in profit before tax	
	As at 31st March, 2021	As at 31st March, 2020
FX rate - increase by 1% on closing rate of reporting date	18.34	11.65
FX rate - (decrease) by 1% on closing rate of reporting date	(18.34)	(11.65)

The above amounts have been disclosed based on the accounting policy for exchange differences.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the Group's borrowings is fixed rate borrowings carried at amortised cost, therefore not subject to interest rate risk as defined in IND AS - 107, since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Group's interest rate risk arises from long term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's borrowings at the variable rate were mainly denominated in Rupees.

2.1 Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakh)

Particulars	31st March, 2021	31st March, 2020
Variable rate borrowing	17,841.70	20,541.49

2.2 Sensitivity of Interest

Profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of changes in interest rates.

(₹ in Lakh)

Particulars	Increase/(decrease) in profit before tax	
	31st March, 2021	31st March, 2020
50 bps increase the profit before tax by	(89.21)	(102.71)
50 bps decrease the profit before tax by	89.21	102.71

76 Fair Value Measurements

(i) Financial Instruments by Category

(₹ in Lakh)

Particulars	Carrying Amount		Fair Value	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Financial Assets				
Amortised cost				
Trade Receivables	2,913.94	2,729.88	2,913.94	2,729.88
Cash and Cash Equivalents	949.14	916.22	949.14	916.22
Other Bank Balances	290.12	305.49	290.12	305.49
Loan	325.00	632.97	325.00	632.97
Security Deposits	5,367.64	5,163.58	5,367.64	5,163.58
Other Financial Assets	3,258.59	3,253.63	3,258.59	3,253.63
Total	**13,104.43**	**13,001.77**	**13,104.43**	**13,001.77**

Notes to the Consolidated financial statements for the year ended 31st March, 2021

(₹ in Lakh)

Particulars	Carrying Amount		Fair Value	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Financial Liabilities				
Amortised cost				
Borrowings	1,78,677.29	1,83,395.24	1,78,677.29	1,83,395.24
Trade Payables	2,520.65	2,844.43	2,520.65	2,844.43
Creditors for Capital Goods	2,743.32	2,786.19	2,743.32	2,786.19
Security Deposits	1,487.49	1,541.88	1,487.49	1,541.88
Lease Liabilities	15,006.20	19,079.70	15,006.20	19,079.70
Other financial liabilities	1,01,399.13	77,257.81	1,01,399.13	77,257.81
Total	**3,01,834.08**	**2,86,905.25**	**3,01,834.08**	**2,86,905.25**

(ii) Fair Valuation techniques used to determine fair value

The Group maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

(a) The Group assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) The fair values for security deposits and other financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(c) The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(iii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard.

(a) Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

(b) Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

77 Capital Management

For the Group's objective when managing capital is to safeguard the Group's ability to continue going concern in order to provide the return to shareholders and benefit to other stakeholders and to maintain an optional capital structure to reduce the cost of capital, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares (if permitted). The Group monitors capital using a gearing ratio, which is debts divided by total equity.

As stated in Notes to accounts, the Group is also having scheme of arrangements to reorganize the capital structure.

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Debts	2,78,470.25	2,58,882.07
Total Equity	(23,793.93)	12,943.42
Total debt to equity ratio (Gearing ratio)	**(11.70)**	**20.00**

Notes:-

(i) Debt is defined as non-current and current borrowings including current maturities of borrowings and interest accrued.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

Debt Covenants

Under the terms of Restructuring Agreement (RA), the Group is required to comply with, interalia, following financial covenants:

Without prior approval of lender, the Group shall not:

(a) **Loans, debenture & charge** - Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.

(b) **Dividend on equity shares** - declare/pay dividend on equity shares unless otherwise approved by the Lender/ Business Monitoring Committee in accordance with the provisions of RA.

(c) **Investments by Borrower** - make any investments by way of deposits, loans, share capital etc. in any concern or elsewhere without prior approval of the Lender / Business Monitoring Committee.

In order to achieve this overall objective, the capital management, amongst other thing, aims to ensure that it meets financial covenants attached to the interest bearing Loans and borrowings that define capital structure requirements, there have been breaches in the financial covenants of Interest bearing loans and borrowing in the current period and previous period.

The Parent Company has not proposed any dividend in last three year in view of losses incurred.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

78 Revenue from contracts with customers (IND AS 115)

The Group disaggregates revenue from contracts with customers by type of products and services, geography and timing of revenue recognition.

Revenue disaggregation by type of services is given note no. 34.

Revenue disaggregation by geography is as follows:

(₹ in Lakh)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
India	22,064.03	29,448.35
Outside India	-	-
Total	**22,064.03**	**29,448.35**

Revenue disaggregation by timing of revenue recognition is as follows:

(₹ in Lakh)

Geography	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Services transferred over time	22,064.03	29,448.35
Total	**22,064.03**	**29,448.35**

Transaction Price allocated to remaining performance obligations:

The aggregate amount of the transaction price allocated to the performance obligations that are to be satisfied as of 31st March, 2021 amounts to ₹ 2,109.59 Lakh (31st March, 2020 - ₹ 4,609.59 Lakh) as per Lease Deed dated 3rd February, 2018. The remaining performance obligation are subject to several factors including Panvel storage revenue, cash flow cover, collections within 90 days or mutually agreed. The management of the Parent Company expects that 100% of the unsatisfied performance obligation will be recognised as revenue during the next reporting period amounting to ₹ 2,109.59 Lakh with balance in future one reporting periods thereafter.

79 Information required for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013

S. No.	Name of the subsidiary	FY 2020-21					
		Total Equity		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Total Equity	₹ in Lakh	As % of Consolidated Other Comprehensive Income	₹ in Lakh	As % of Consolidated Total Comprehensive Income	₹ in Lakh
I	**Parent Indian:**						
1	Arshiya Limited	(254.98%)	60,670.89	13.36%	1.93	27.24%	(10,026.10)
II	**Subsidiaries Indian:**						
2	Arshiya Rail Infrastructure Limited	150.91%	(35,906.51)	67.06%	9.69	44.44%	(16,357.57)
3	Arshiya Northern FTWZ Limited	(15.54%)	3,697.56	5.81%	0.84	21.25%	(7,823.05)

Notes to the Consolidated financial statements for the year ended 31st March, 2021

S. No.	Name of the subsidiary	FY 2020-21					
		Total Equity		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Total Equity	₹ in Lakh	As % of Consolidated Other Comprehensive Income	₹ in Lakh	As % of Consolidated Total Comprehensive Income	₹ in Lakh
4	Arshiya Technologies (India) Private Limited	0.03%	(6.15)	-	-	0.00%	(0.91)
5	Arshiya Lifestyle Limited	(8.70%)	2,069.96	1.59%	0.23	(0.07%)	25.48
6	Arshiya Logistics Services Limited	0.80%	(190.85)	12.11%	1.75	(0.01%)	2.10
7	Anomalous Infra Private Limited	1.37%	(326.03)	-	-	1.19%	(438.32)
8	Arshiya Northern Projects Private Limited	0.05%	(12.45)	-	-	0.02%	(5.62)
9	Arshiya Infrastructure Developers Private Limited	0.01%	(1.68)	-	-	0.00%	(0.85)
10	Unrivalled Infrastructure Private Limited	0.00%	(0.07)	-	-	0.00%	(0.36)
11	Arshiya Data Centre Private Limited	(4.43%)	1,054.82	-	-	3.50%	(1,289.37)
12	AMD Business Support Services Private Limited	0.00%	(0.93)	-	-	0.00%	(0.68)
III	**Stepdown Subsidiary:**						
	Held through Arshiya Logistics Services Limited						
13	Arshiya 3PL Services Private Limited	0.99%	(236.30)	0.07%	0.01	0.43%	(158.04)
14	Arshiya Panvel Logistics Services Private Limited	(0.00%)	0.28	-	-	0.00%	(0.38)
	Held through Arshiya Lifestyle Limited						
15	Arshiya Panvel FTWZ Services Private Limited	(0.00%)	0.29	-	-	0.00%	(0.37)
	Consolidation Adjustments/ Eliminiations*	229.50%	(54,606.76)	-	-	2.00%	(734.65)
	Total	**100.00%**	**(23,793.93)**	**100.00%**	**14.45**	**100.00%**	**(36,808.69)**

Notes to the Consolidated financial statements for the year ended 31st March, 2021

S. No.	Name of the subsidiary	FY 2019-20					
		Total Equity		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Total Equity	₹ in Lakh	As % of Consolidated Other Comprehensive Income	₹ in Lakh	As % of Consolidated Total Comprehensive Income	₹ in Lakh
I	**Parent Indian:**						
1	Arshiya Limited	543.42%	70,337.26	47.68%	26.35	230.78%	(1,06,528.79)
II	**Subsidiaries Indian:**						
2	Arshiya Rail Infrastructure Limited	(151.03%)	(19,548.94)	41.15%	22.74	41.19%	(19,013.72)
3	Arshiya Northern FTWZ Limited	89.01%	11,520.61	2.75%	1.52	17.12%	(7,903.45)
4	Arshiya Technologies (India) Private Limited	(0.04%)	(5.24)	-	-	0.00%	(1.54)
5	Arshiya Lifestyle Limited	15.75%	2,038.02	1.25%	0.69	(0.03%)	15.65
6	Arshiya Logistics Services Limited	(1.49%)	(192.95)	6.70%	3.70	0.26%	(119.04)
7	Anomalous Infra Private Limited	0.87%	112.29	-	-	1.86%	(857.36)
8	Arshiya Northern Projects Private Limited	(0.05%)	(6.83)	-	-	0.01%	(5.80)
9	Arshiya Infrastructure Developers Private Limited	(0.01%)	(0.83)	-	-	0.00%	(1.57)
10	Unrivalled Infrastructure Private Limited	0.00%	0.29	-	-	0.00%	(0.45)
11	Arshiya Data Centre Private Limited	18.11%	2,344.19			0.66%	(306.21)
III	**Stepdown Subsidiary:**						
	Held through Arshiya Logistics Services Limited						
12	Arshiya 3PL Services Private Limited	(0.60%)	(78.26)	0.47%	0.26	0.18%	(82.29)
13	Arshiya Panvel Logistics Services Private Limited	0.01%	0.66			0.00%	(0.34)
	Held through Arshiya Lifestyle Limited						
14	Arshiya Panvel FTWZ Services Private Limited	0.01%	0.66			0.00%	(0.34)
	Consolidation Adjustments/ Eliminiations*	(413.94%)	(53,577.51)	-	-	(192.03%)	88,644.06
	Total	**100.00%**	**12,943.42**	**100.00%**	**55.26**	**100.00%**	**(46,161.19)**

* The above figures for the Parent Company and subsidaries are presented before intercompany eliminations and consolidation adjustments in order to conform to the respective financial statements of the Parent Company and Subsidiaries.

80 During the course of preparation of consolidated financial statements, e-mails have been sent to various parties, in respect of trade receivables and trade payables, etc. with a request to confirm their balances, out of which only few parties have responded, accordingly, the possible adjustment, if any, required in the consolidated financial statements will be accounted as and when the same is determinable.

Notes to the Consolidated financial statements for the year ended 31st March, 2021

81 The Group has sent email to all its lenders for independent confirmation of their outstanding as on 31st March 2021 aggregating ₹ 2,38,252.45 Lakh with a request to confirm their balances directly to our statutory auditors. Out of these, the Group has received statements / confirmations amounting to ₹ 1,86,701.70 Lakh which have been provided to statutory auditors. The Group is confident that there will not be significant changes in its liabilities.

82 During the year ended 31st March 2020, Central Bureau of Investigation conducted a search on the Parent Company based on a complaint of UCO Bank, which is no longer a lender to the Group since 31st March 2017. In this regard, the Parent Company has filed a petition with the Hon'ble High Court of Bombay. The Hon'ble High Court of Bombay has given interim relief in favour of the Parent Company whereby all the adverse actions, if any has been stayed by the Hon'ble High Court as prayed and the matter is now sub-judice.

83 **Impact relating to Global health pandemic Coronavirus (COVID) 2019:**

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on 11th March, 2020. Consequent to this, the Government of India declared lockdown on 23rd March, 2020. The operations of the Group being categorized under essential services and were uninterruptedly functional even during lockdown, despite of being marginally impacted due to various manpower issues like shortage of staff and labour since certain areas being under containment, travel restrictions. The Group has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets, as at 31st March 2021, comprising inventories and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

84 The Parliament of India has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post employment. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

85 Previous year's figures have been regrouped / rearranged wherever necessary to comply with requirement of Ind AS and Schedule III.

Notes forming part of Financial Statement

As per our report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th June, 2021

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

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Annexure to the Consolidated Financial Statements

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

(₹ in Lakh)

S. No.	Name of the subsidiary	Financial Period ended	Currency	Equity	Other Equity	Total assets	Total liabilities (excluding equity and other equity)	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	% of Share holding(1*)
1	Arshiya Northern FTWZ Limited	31st March, 2021	INR	1,086.87	2,610.69	72,646.65	68,949.09	-	541.22	(7,823.89)	-	(7,823.89)	100%
2	Arshiya Rail Infrastructure Limited	31st March, 2021	INR	5,967.16	(41,354.58)	90,595.86	1,25,983.28	-	7,697.41	(16,367.26)	-	(16,367.26)	100%
3	Arshiya Technologies (India) Private Limited	31st March, 2021	INR	10.12	(16.27)	0.24	6.39	-	-	(0.91)	-	(0.91)	100%
4	Arshiya Lifestyle Limited	31st March, 2021	INR	148.50	1,921.46	17,977.56	15,907.60	1.00	10,522.79	26.67	1.42	25.25	100%
5	Arshiya Logistics Services Limited	31st March, 2021	INR	160.00	(350.85)	2,076.03	2,266.88	6.00	6,787.10	7.57	7.22	0.35	100%
6	Anomalous Infra Private Limited	31st March, 2021	INR	11.00	(337.03)	19,656.83	19,982.86	-	-	(438.32)	-	(438.32)	100%
7	Arshiya Northern Projects Private Limited	31st March, 2021	INR	5.00	(17.45)	0.35	12.80	-	-	(5.62)	-	(5.62)	100%
8	Arshiya Infrastructure Developers Private Limited	31st March, 2021	INR	1.00	(2.68)	0.07	1.75	-	-	(0.85)	-	(0.85)	100%
9	Unrivalled Infrastructure Private Limited	31st March, 2021	INR	1.00	(1.07)	0.18	0.25	-	-	(0.36)	-	(0.36)	100%
10	Arshiya 3PL Services Private Limited	31st March, 2021	INR	5.00	(241.30)	91.24	327.54	-	185.58	(158.05)	-	(158.05)	Nil (2*)
11	Arshiya Panvel Logistics Services Private Limited	31st March, 2021	INR	1.00	(0.72)	0.53	0.25	-	-	(0.38)	-	(0.38)	Nil (2*)
12	Arshiya Panvel FTWZ Services Private Limited	31st March, 2021	INR	1.00	(0.71)	0.54	0.25	-	-	(0.37)	-	(0.37)	Nil (3*)
13	Arshiya Data Centre Private Limited	31st March, 2021	INR	1.00	1,053.82	13,203.00	12,148.18	-	-	(1,289.37)	-	(1,289.37)	100%
14	AMD Business Support Services Private Limited	31st March, 2021	INR	1.00	(1.93)	2,518.35	2,519.28	-	-	(0.68)	-	(0.68)	100%

(1*) % of Share Holding including beneficial interest/ voting power (either directly/indirectly or through subsidiaries).
(2*) 100% held through Arshiya Logistics Services Limited
(3*) 100% held through Arshiya Lifestyle Limited

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

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Place: Mumbai
Date: 30th June, 2021

Notes

Notes

Arshiya

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