Arshiya

Ref: AL/SE/0919/04

Date: 06/09/2019

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

Subject: Notice of the 38th Annual General Meeting and Annual Report for the Financial Year 2018-19:

In terms of the requirements of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copy of Notice of the 38th Annual General Meeting scheduled to be held on Monday, 30th September, 2019 and Annual Report for the financial year 2018-19.

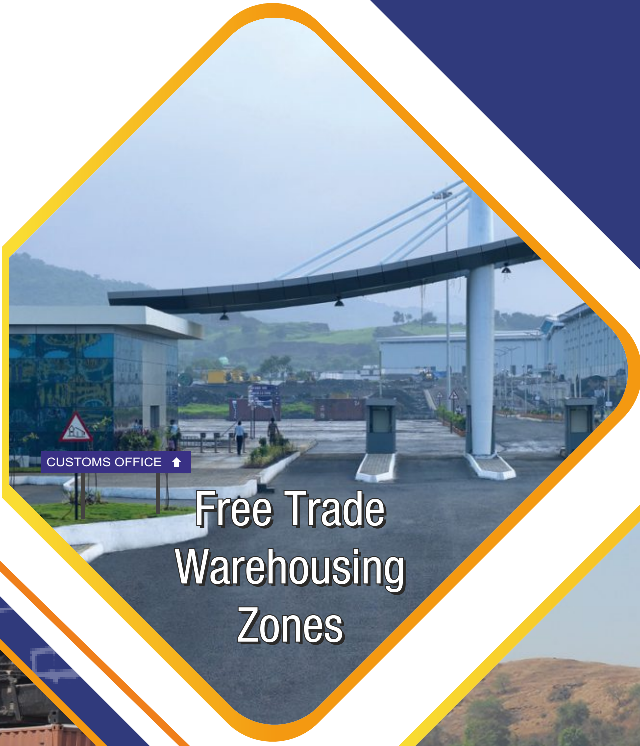
Kindly take the above information on record.

Thanking you.

Yours faithfully
For ARSHIYA LIMITED

Arshiya Limited
Mumbai

Savita Dalal
Company Secretary & Compliance Officer



Arshiya

ANNUAL REPORT 2019

Redefining Supply Chain for Global Player in India

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CORPORATE INFORMATION

BOARD MEMBERS

Mr. Ajay S Mittal - Chairman and Managing Director

Mrs. Archana A Mittal - Joint Managing Director

Mr. Ashishkumar Bairagra - Non-Executive Independent Director

Mr. Rishabh Shah - Non-Executive Independent Director

Mr. Mukesh Kacker-Non- Executive Independent Director

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

Mr. Ananya A Mittal - Chief Strategy Officer

Mr. S Maheshwari - Group president & CFO resigned w.e.f. 30.06.2019

Mr. Dinesh Kumar Sodani – Chief Financial Officer (CFO) appointed w.e.f. 09.08.2019

Ms. Savita Dalal- Company Secretary & Compliance Officer

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
Zayn Consulting Private Ltd, 302, 22-Business Point, SV Road
Opp Andheri Sub-Way, Next to DCB Bank,
Andheri West, Mumbai - 400 058

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

LIST OF BANKERS

Axis Bank Ltd.

Bank of India

Corporation Bank

ICICI Bank Ltd.

IDBI Bank Ltd.

IDFC First Bank Ltd.

Punjab National Bank

State Bank of India

The Karur Vysya Bank

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

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

NOTICE

NOTICE IS HEREBY GIVEN THAT the 38th Annual General Meeting (AGM) of the Members of Arshiya Limited to be held on Monday, September 30, 2019 at 3:00 P.M. at Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai- 400 018 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

(a) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, 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 March 31, 2019, together with the Report of the Auditor's thereon.

2. To appoint a Director in place of Mrs. Archana A Mittal (DIN 00703208), who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS:

3. Ratification of remuneration to Cost Auditor

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Prashant Karlekar & Associates, Cost Accountants, (Firm Registration Number 16075), be appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, be paid a remuneration, for the Financial Year ended March 31, 2019 & March 31, 2020, amounting to ₹ 60,000/-p.a. (Rupees Sixty Thousand only) and such other out of pocket expenses plus taxes as applicable.

4. To re-appoint Mr. Ashishkumar Bairagra (DIN 00049591) as an Independent Director:

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ashishkumar Bairagra (DIN 00049591), who was appointed as an Independent Director at the 33rd Annual General Meeting and who holds office as an Independent Director up to September 09, 2019 and who being eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years w.e.f. September 10, 2019 to September 09, 2024 on the Board of the Company."

5. To re-appoint Mr. Rishabh Shah (DIN 00694160) as an Independent Director:

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Rishabh Shah (DIN 00694160), who was appointed as an Independent Director at the 33rd Annual General Meeting and who holds office as an Independent Director up to September 09, 2019 and who being eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years w.e.f. September 10, 2019 to September 09, 2024 on the Board of the Company."

6. **To approve and adopt Arshiya Limited Employee Stock Option Scheme 2019:**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 **(the 'Act')** read with the rules framed thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **('SEBI SBEB Regulations')**, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the circulars / guidelines issued by the Securities and Exchange Board of India **('SEBI')**, the Articles of Association of the Company and all other applicable regulations, rules and circulars / guidelines in force, from time to time (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include any committee including the Nomination and Remuneration Committee which the Board may at its discretion authorise to exercise certain or all of its powers, including the powers conferred by this Resolution), consent of the members of the Company be and is hereby accorded to the Board for the formulation and implementation of **'Arshiya Limited Employees Stock Option Scheme 2019' (the 'ESOP Scheme 2019')** and to create, grant, offer, issue and allot from time to time, in one or more tranches, stock options not exceeding 1,00,00,000 (One Crore) to or for the benefit of such (i) permanent employees of the Company, whether working in India or outside India; (ii) directors of the Company, whether whole-time or not but excluding independent director(s) (iii) permanent employees and Directors (other than independent directors) of a holding and/or subsidiary company(ies) of the Company whether working in India or outside India; and (iv) such other employees and persons as may be permitted under the applicable laws and as may be approved by the Board, from time to time **(the 'Eligible Employees')**, which would give rise to the issue of equity shares not exceeding 1,00,00,000 (One Crore) Equity Shares of the face value of ₹ 2/- (Rupee Two only) each at such price, in one or more tranches and on such terms and conditions, as contained in the Scheme and summarized in the Explanatory Statement annexed hereto and to provide for grant and subsequent vesting and exercise of options by eligible employees in the manner and method contained in the Explanatory Statement, as the Board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP Scheme 2019.

RESOLVED FURTHER THAT in case of any corporate action(s) such as right issues, bonus issues, change in capital structure, merger, demerger, split, consolidation of equity shares, sale of division/undertaking or other reorganisation of capital structure of the Company, as applicable from time to time, the ceiling as aforesaid of 1,00,00,000 (One Crore) Equity Shares shall be deemed to be increased/decreased, as may be determined by the Board, to facilitate making a fair and reasonable adjustment to the entitlements of participants under the ESOP Scheme 2019.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted under the ESOP Scheme 2019 shall rank pari passu with the then existing equity shares of the Company for all purposes.

RESOLVED FURTHER THAT the Company shall confirm to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to ESOP Scheme 2019.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP Scheme 2019 at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP Scheme 2019, as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP Scheme 2019 from time to time in conformity with the provisions of the Companies Act, 2013 (including any rules or regulations made thereunder), the SEBI SBEB Regulations and other applicable laws unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted Stock Options under the ESOP Scheme 2019.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion, deems necessary including authorising or directing the appointment of various intermediaries, experts, professionals, independent agencies and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the ESOP Scheme 2019, as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals, if any, required by the Securities and Exchange Board of India / the stock exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate such powers to any executives/ officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

7. **To approve grant of Stock Options to the Employees/Directors of Holding, and/or Subsidiary Company (ies) (Present & Future) under the ESOP Scheme 2019:**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 **(the 'Act')** read with the rules framed thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(the 'SEBI SBEB Regulations')**, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(the 'Listing Regulations')**, the circulars / guidelines issued by the Securities and Exchange Board of India **('SEBI')**, the Articles of Association of the Company and all other applicable regulations, rules and circulars / guidelines in force, from time to time (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include any committee including the Nomination and Remuneration Committee which the Board may at its discretion authorise to exercise certain or all of its powers, including the powers conferred by this Resolution), consent of the members of the Company be and is hereby accorded to the Board to grant the stock options under the **'Arshiya Limited Employees Stock Option Scheme 2019' (the 'ESOP Scheme 2019')** (referred to in the Special Resolution under Item No. 6 of this Notice), to the present and future, permanent employees of the holding and subsidiary Company(ies) and their director(s), whether Whole-time director or not, but excluding independent directors, if any, from time to time as contained in the ESOP Scheme 2019, on such terms and conditions, as set out in the ESOP Scheme 2019 and summarised in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper to settle any questions, difficulties or doubts that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate such powers to any executives/ officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

8. **Approval for sale of the Company's undertaking in Arshiya Rail Infrastructure Limited (ARIL), a wholly owned material subsidiary of the Company:**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Regulation 24 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "LODR") and further pursuant to Section 180(l)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force), and the enabling provisions in the Articles of Association of the Company, and subject to such approvals, sanctions, consents, registrations and permissions as may be required, and further subject to such terms and conditions as may be prescribed by any of the aforesaid authorities while granting such approvals, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) for the sale, transfer and dispose of the entire investment/ undertaking/ shareholding of 4,23,84,417 equity shares held by the Company (comprising of 4,23,83,817 equity shares held solely by the Company and 600 equity shares held beneficially through 6 nominees, each nominee holding 100 equity share) in Arshiya Rail Infrastructure Limited, a wholly owned material subsidiary of the Company, to such interested and suitable investor, for a consideration as may be mutually agreed upon between the Company and prospective investor, on such terms and conditions, and with such modifications as may be required, as the Board may deem fit and appropriate in the interest of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, to effect the sale, transfer and dispose of the Shares including (i) to finalize, vary and settle the terms and conditions of the sale and transfer of the Sale Shares; (ii) settle and finalise all issues that may arise in this regard, without further referring to the members of the Company; (iii) to negotiate and finalize the share purchase agreement and/ or any other transaction documents (including providing such representations, warranties, indemnities and covenants as may be agreed); (iv) to execute, deliver and perform such share purchase agreement, arid other contracts, deeds, undertakings and other documents and subsequent modifications thereto; (v) to file applications and make representations to seek the requisite approvals from the relevant government authorities and third parties, including lenders of the Company; and (vi) to take all necessary steps in the matter as it may in its absolute discretion and in the best interests of the Company deem necessary, desirable or expedient, to give effect to the above resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers or authorities herein conferred by this resolution, to any Director(s) or to any other official of the Company or to any Committee of Directors or any other Officer(s)/ Authorized Representative(s) of the Company or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution."

9. **Approval for sale of the Company's undertaking in Arshiya Industrial & Distribution Hub Limited (AIDHL), a wholly owned material subsidiary of the Company:**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Regulation 24 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "LODR") and further pursuant to Section 180(l)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force), and the enabling provisions in the Articles of Association of the Company, and subject to such approvals, sanctions, consents, registrations and permissions as may be required, and further subject to such terms and conditions as may be prescribed by any of the aforesaid authorities while granting such approvals, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person (s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) for the sale, transfer and dispose off the entire investment/ undertaking/ shareholding of 1,73,57,152 equity shares of the Company (comprising of 1,73,56,552 equity shares held solely by the Company and 600 equity shares held beneficially through 6 nominees, each nominee holding 100 equity share each) in Arshiya Industrial & Distribution Hub Limited, a wholly owned material subsidiary of the Company, to such interested and suitable investor, for a consideration as may be mutually agreed upon between the Company and prospective investor, on such terms and conditions, and with such modifications as may be required, as the Board may deem fit and appropriate in the interest of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, to effect the sale, transfer and dispose of the Shares including (i) to finalize, vary and settle the terms and conditions of the sale and transfer of the Sale Shares; (ii) settle and finalise all issues that may arise in this regard, without further referring to the members of the Company; (iii) to negotiate and finalize the share purchase agreement and/ or any other transaction documents (including providing such representations, warranties, indemnities and covenants as may be agreed); (iv) to execute, deliver and perform such share purchase agreement, arid other contracts, deeds, undertakings and other documents and subsequent modifications thereto; (v) to file applications and make representations to seek the requisite approvals from the relevant government authorities and third parties, including lenders of the Company; and (vi) to take all necessary steps in the matter as it may in its absolute discretion and in the best interests of the Company deem necessary, desirable or expedient, to give effect to the above resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers or authorities herein conferred by this resolution, to any Director(s) or to any other official of the Company or to any Committee of Directors or any other Officer(s)/ Authorized Representative(s) of the Company or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution."

10. **Approval for Increase in remuneration of Mr. Ananya A Mittal- Chief Strategy Officer of the Company and holding of Office or Place of Profit in the Company:**

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

"RESOLVED THAT pursuant to the provisions of Sections 188 of the Companies Act, 2013 ("the Act"); Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable statutory provisions, rules, regulations and guidelines (including any statutory modification(s), amendments, or re-enactment thereof for the time being in force) and subject to such approvals as may be required, approval of the members of the Company be and is hereby accorded for holding of office or place of profit / employment by Mr. Ananya A Mittal- Chief Strategy Officer, a related party being son of Managing Directors and the Promoters of the Company namely Mr. Ajay S Mittal and Mrs. Archana A Mittal, at a revised/ increased remuneration of ₹ 5,00,000/- (Exclusive of performance based incentive of upto maximum of ₹ 60,00,000/- p.a.) per month with effect from October 1, 2019; including but not limited to all basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities and conveniences etc., as are more particularly specified in the relevant explanatory statement annexed to the notice of this meeting.

"RESOLVED FURTHER THAT the Nomination & Remuneration Committee as well as the Board of Directors are hereby severally authorised to review, determine, alter and vary the terms of holding of the said office or place of profit/employment of Mr. Ananya A Mittal, from time to time including his remuneration and to effect such change in designation and responsibilities of Mr. Ananya A Mittal holding office or place of profit, within the maximum limit approved by the shareholders at its discretion and in accordance with the provisions of the Companies Act, 2013.

"RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing Resolution, Mrs. Savita Dalal, Company Secretary & Compliance officer of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority in order to give effect to the aforesaid resolutions."

11. Issue of equity shares on Preferential basis:

To consider and if thought fit, to give assent/ dissent to the following resolution, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 23, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act") read with all applicable Rules and laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), provisions of Chapter V and other applicable provisions, if any, of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be modified or re-enacted from time to time ("SEBI ICDR Regulations"), the applicable Rules, Notifications, Guidelines, Policies, Procedures issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI") and other competent authorities and subject to necessary approvals, permissions, sanctions and consents as may be required from any regulatory or other appropriate authorities (including but not limited to the SEBI, RBI, the Government of India, etc.), if any, and all such other approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board"), consent of the members of the company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to create, offer, issue and allot, in one or more tranches, upto 2,18,750 (Two Lakh Eighteen Thousand Seven Hundred and Fifty) equity shares of face value of ₹ 2/- each at a price of ₹ 32/- each [Rupees Thirty-Two only] (including premium of ₹ 30/- each [Rupees Thirty only]), being the price not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter V of SEBI (ICDR) Regulations as amended, by way of preferential allotment to Non-Promoter (hereinafter referred to as the "Proposed Allottee") and the details of the securities to be issued are as follows:

Name of Applicant (Proposed Allottee)	Maximum No. of equity shares proposed to be allotted
Non-Promoter	
Ms. Isha LaxmiNarayan	2,18,750

RESOLVED FURTHER THAT the equity shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company."

"RESOLVED FURTHER THAT the equity shares to be allotted shall rank pari passu in all respects with the existing equity shares of the Company including Dividend."

"RESOLVED FURTHER THAT In the event of the Company making a bonus issue of shares or making rights issue of shares or any other securities in whatever proportion or any corporate action prior to the exercise of the rights attached to the equity shares, the entitlement of the holders shall stand augmented in the same proportion in which the equity share capital of the company increases as a consequence of such bonus/rights issues or any corporate action and that the exercise price of the equity shares to be adjusted accordingly, subject to such approvals as may be required."

"RESOLVED FURTHER THAT the Relevant Date, as stipulated in the Regulation 161 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for determination of the Issue Price of equity shares shall be thirty (30) days prior to the date of this meeting where the proposed preferential Issue is being considered for approval of the members of the Company or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/ Holiday will be reckoned to be the Relevant Date."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/Financial Institutions/Investment Institutions and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board."

"RESOLVED FURTHER THAT the equity shares to be allotted, be listed on the stock exchanges where the shares of the Company are listed and that the Board be and is hereby authorized to make the necessary applications and to take all other steps as may be necessary for the approval of allotment of equity shares and listing of such equity shares and for the admission of such equity shares with the depositories, i.e. NSDL & CDSL, and for the credit of such equity shares to the holders dematerialized securities account."

"RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting equity shares of the Company the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing and allotting of equity shares of the Company, as it may, in its absolute discretion, deem fit and proper."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any other Director or Directors or Company Secretary or any other officer(s) or employee(s) of the Company or any advisor, as it may consider appropriate in order to give effect to this Resolution."

By Order of the Board of Directors of
Arshiya Limited

Savita Dalal
Company Secretary

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

Date: 4th September, 2019
Place: Mumbai

NOTES:

1. 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 May 7, 2018, issued by Ministry of Corporate Affair's, 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.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 (forty eight) hours before the commencement of the meeting. In case, the Proxy fails to do so, the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 (forty eight) hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / letter of authority, as applicable.**

3. **An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.**

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

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

6. 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.

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

8. The Register of Members and Share Transfer Books will remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive).

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

10. Pursuant to the applicable provisions of Companies Act, 2013 the Company has transferred on due dates, the unpaid and unclaimed dividend amount for the financial year ended March 31, 2011 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 18, 2018 (date of last Annual General Meeting) on the website of the Company (www.arshiyalimited.com) as also on the Ministry of Corporate Affairs Website.

    The details of dividend declared are given below:

Date of Declaration	For Financial Year	Dividend Per share (₹)	Due Date of the proposed transfer to the IEPF
18.09.2012	2011-12	1.40	October 29, 2019

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

12. Electronic copy of the Annual Report for the year 2018-19 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) and have given their consent to receive the same through electronic means. Members other than above, physical copies of the Annual Report are being sent by the permitted mode.

13. Electronic copy of the Notice of the 38th Annual General Meeting of the Company, inter-alia, indicating the process and manner for e-voting, along with the Attendance Slip and Proxy Form is being sent by electronic mode to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same. Members other than above, physical copies of the Notice of the 38th Annual general Meeting of the Company, inter-alia, indicating the process and manner for e-voting, along with the Attendance Slip and Proxy Form is being sent by the permitted mode.

14. Members may also note that the Notice of the 38th Annual General Meeting and the Annual Report for the year 2018-19 will be available on the website of the Company www.arshiyalimited.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered office on all working days (except 2nd & 4th Saturdays, Sundays and Public Holidays) between 11:00 a.m. to 1:00 p.m.

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

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

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

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

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

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

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

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

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

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

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

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

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

    (I) The voting through electronic means will commence on Friday, September 27, 2019 at 10:00 a.m. and will end on Sunday, September 29, 2019 at 5:00 p.m. The Members will not be able to cast their vote electronically beyond the date and time mentioned above. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Monday, September 23, 2019 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

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

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

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

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

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

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

Step 1: Log in to NSDL's e-voting system at https:// www.evoting.nsdl.com

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

Step 1: Log in to NSDL's e-voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www. evoting.nsdl.com/.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. 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.

4. Your User ID details will be as per details given below :

    a) 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******).
    b) 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**************).
    c) 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 101456 then user ID is 101456001***).

5. Your password details are given below:

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

    b) 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 enter the 'initial password' and the system will force you to change your password.

    c) How to retrieve your 'initial password'?

        i. 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'.

        ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

    a) 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.

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

c) 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.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

1. 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.

2. 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.

3. Select "EVEN" of the Company. EVEN NO. 112346

4. Now you are ready for e-Voting as the Voting page opens.

5. 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.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

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

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

General Guidelines for shareholders:

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

2. It is strongly recommended that you do not to share your password with any other person and take utmost care to keep your password confidential. Log in 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 the 'Physical User Reset Password?' option available on www. evoting.nsdl.com, to reset the password.

3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and the e-voting user manual for shareholders available in the download section of www.evoting.nsdl.com, or call on the toll-free no.: 1800-222-990, or contact Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email address: pallavid@nsdl.co.in /evoting@nsdl.co.in or at telephone no. +91 22 2499 4545 who will also address grievances connected with voting by electronic means.

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**	**4**	**5**
Name of Directors	Mrs. Archana A Mittal	Mr. Ashishkumar Bairagra	Mr. Rishabh Shah
Designation	Joint Managing Director	Non-executive Independent Director	Non-executive Independent Director
Date of Birth	14/04/1967	10/02/1979	17/02/1971
Age (years)	52	40	48

Qualifications	Graduate in Bachelor of Arts (Honours) from Punjab University	Charted Accountant & Bachelor of Commerce (India)	Bachelor of Arts(India) & L.L.B(India)
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-of-the-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.	Mr. Ashishkumar Bairagra has extensive experience in handling internal audits, statutory audits, management audits, tax advisory and business advisory assignments. His areas of specialisation include International Taxation, Transfer Pricing, Valuation, Due Diligence, PE and VC Funding and Cross Border Business Structuring. He is a Partner of M. L. Bhuwania & Co LLP, Chartered Accountants, which is an independent member of Geneva Group International (GGI). He is also the Regional Chairperson - Asia of the International Taxation Practice Group (ITPG) of GGI.	Mr. Rishabh Shah is a practicing legal counsel and a legal consultant who advises on several areas of Civil Law, in particular, commercial documentation, property documentation, various areas of banking, commercial contracts, company restructuring and securities law. Banking and Corporate law and litigation being his areas of specialisation. He has over 20 years of experience representing major corporations as legal counsel.
Directorships held in other Companies	As per Annexure 1	As per Annexure 1	As per Annexure 1
Memberships / Chairmanships of committees of other public companies	As per Annexure 2	As per Annexure 2	As per Annexure 2
Shareholding (No. of shares)	8,85,59,788 Shares	-	7,955 Shares
Relationship with Directors, Manager or other KMP	Wife of Mr. Ajay S Mittal, Joint Managing Director of the Company.	-	-
Number of Board Meeting attended during the year	**6**	**7**	**2**

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 INDUSTRIAL & DISTRIBUTION HUB LIMITED	Director
2	ARSHIYA NORTHERN FTWZ LIMITED	Director

Directorships held in other Companies – Mr. Ashishkumar Bairagra

Sr. No.	Names of the Companies / Bodies Corporate / Firms / Association of Individuals	Directorship
1	M L BHUWANIA AND CO LLP	Designated Partner
2	SHRIKANT REAL ESTATES PVT LTD	Director
3	ARSHIYA NORTHERN FTWZ LIMITED	Independent Director
4	ARSHIYA INDUSTRIAL & DISTRIBUTION HUB LIMITED	Independent Director
5	BAIRAGRA PROPERTIES AND INVESTMENT PRIVATE LIMITED	Director
6	MLB ADVISORY SERVICES LIMITED	Director
7	ASHVIK REAL ESTATE PRIVATE LIMITED	Director
8	MAUVE CONSULTANCY SERVICES LIMITED	Director
9	ARSHIYA RAIL INFRASTRUCTURE LIMITED	Independent Director
10	ACM SHIPPING INDIA LIMITED	Director

Directorships held in other Companies – Mr. Rishabh Shah

Sr. No.	Names of the Companies / Bodies Corporate / Firms / Association of Individuals	Directorship
1	ARSHIYA NORTHERN FTWZ LIMITED	Independent Director
2	ARSHIYA INDUSTRIAL & DISTRIBUTION HUB LIMITED	Independent Director
3	ARSHIYA RAIL INFRASTRUCTURE LIMITED	Independent Director

ANNEXURE - 2

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

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

Memberships / Chairmanships of committees of other public companies – Mr. Ashishkumar Bairagra

Sr. No.	Name of the Company	Type of Committees	Position
1.	ARSHIYA NORTHERN FTWZ LIMITED	Audit Committee	Chairperson
		Nomination and Remuneration Committee	Chairperson
2.	ARSHIYA INDUSTRIAL & DISTRIBUTION HUB LIMITED	Audit Committee	Member
		Nomination and Remuneration Committee	Chairperson
3.	ARSHIYA RAIL INFRASTRUCTURE LIMITED	Audit Committee	Chairperson
		Nomination and Remuneration Committee	Chairperson

Memberships / Chairmanships of committees of other public companies – Mr. Rishabh Shah

Sr. No.	Name of the Company	Type of Committees	Position
1.	ARSHIYA NORTHERN FTWZ LIMITED	Audit Committee	Member
		Nomination and Remuneration Committee	Member
2.	ARSHIYA INDUSTRIAL & DISTRIBUTION HUB LIMITED	Audit Committee	Member
		Nomination and Remuneration Committee	Member
3.	ARSHIYA RAIL INFRASTRUCTURE LIMITED	Audit Committee	Member
		Nomination and Remuneration Committee	Member

By Order of the Board of Directors of
Arshiya Limited

Savita Dalal
Company Secretary

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

Date: September 04, 2019
Place: Mumbai

ANNEXURE TO THE NOTICE OF THE 38TH ANNUAL GENERAL MEETING

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

Item No. 3

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of Prashant Karlekar & Associates, Cost Accountants (Firm Registration No. 16075), to conduct the audit of the cost records of the Company for the financial year ended March 31, 2019 and March 31, 2020 at a remuneration of ₹ 60,000/-p.a. (Rupees Sixty Thousand only per annum) and such other out of pocket expenses per annum plus applicable taxes, subject to ratification by members.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify/ approve the remuneration payable to the Cost Auditors during the year 2018-19 & 2019-20, as set out in the Resolution for the aforesaid services to be rendered by them.

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

The Board recommends the Ordinary Resolution as set out in Item No. 3 for approval of the Members.

Item No. 4

Mr. Ashishkumar Bairagra (DIN: 00049591) was appointed as an Independent Director of the Company for a period of Five (5) consecutive years i.e. upto September 09, 2019 ("First Term") in the Annual General Meeting held on September 10, 2014.

Mr. Ashishkumar Bairagra has extensive experience in handling internal audits, statutory audits, management audits, tax advisory and business advisory assignments. His areas of specialisation include International Taxation, Transfer Pricing, Valuation, Due Diligence, PE and VC Funding and Cross Border Business Structuring. He is a Partner of M. L. Bhuwania & Co., Chartered Accountants, which is an independent member of Geneva Group International (GGI). He is also the Regional Chairperson - Asia of the International Taxation Practice Group (ITPG) of GGI.

The Nomination and Remuneration Committee of Board of Directors has recommended the Re-appointment of Mr. Ashishkumar Bairagra as Independent Director of the Company for a second term of Five (5) consecutive years effective from September 10, 2019 to September 09, 2024 on the Board of the Company.

The Board, based on recommendation of Nomination and Remuneration Committee, considers that, based on his background, experience and contributions made by him during his tenure, the continued association of Mr. Ashishkumar Bairagra would be beneficial to the Company and it is desirable to continue to avail his service as an Independent Director.

Accordingly, it is proposed to re-appoint Mr. Ashishkumar Bairagra as an Independent Director of the Company, not liable to retire by rotation, for the second term of Five (5) consecutive years effective from September 10, 2019 to September 09, 2024 on the Board of the Company.

Mr. Ashishkumar Bairagra is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director. The Company has also received declaration from Mr. Ashishkumar Bairagra that he meets the criteria of independence as provided under Section 149 (6) of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Ashishkumar Bairagra fulfil the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and Mr. Ashishkumar Bairagra is independent of the management.

Copy of draft letter of Appointment of Mr. Ashishkumar Bairagra setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company. Mr. Ashishkumar Bairagra and his relative are interested in the resolutions set out at the Item No. 4 with regard to his re-appointment.

Except Mr. Ashishkumar Bairagra, no other Director, Key Managerial Personnel (KMP) or their respective relatives are concerned or interested in the resolutions mentioned at Item No. 4 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of your Company recommends the passing of Special Resolution as set -out under Item No. 4 of the Notice for approval by the members.

Item No. 5

Mr. Rishabh Shah (DIN 00694160) was appointed as an Independent Director of the Company for a period of Five (5) consecutive years i.e. upto September 09, 2019("First Term") in the Annual General Meeting held on September 10, 2014.

Mr. Rishabh Shah is a practicing legal counsel and a legal consultant who advises on several areas of civil law, in particular, commercial documentation, property documentation, various areas of banking, commercial contracts, company restructuring and securities law. Banking and Corporate law and litigation being his areas of specialisation. He has over 20 years of experience representing major corporations as legal counsel.

The Nomination and Remuneration Committee of Board of Directors has recommended the Re-appointment of Mr. Rishabh Shah as Independent Director of the Company for a second term of Five (5) consecutive years effective from September 10, 2019 to September 09, 2024 on the Board of the Company.

The Board, based on recommendation of Nomination and Remuneration Committee, considers that, based on his background, experience and contributions made by him during his tenure, the continued association of Mr. Rishabh Shah would be beneficial to the Company and it is desirable to continue to avail his service as an Independent Director.

Accordingly, it is proposed to re-appoint Mr. Rishabh Shah as an Independent Director of the Company, not liable to retire by rotation, for the second term of Five (5) consecutive years effective from September 10, 2019 to September 09, 2024 on the Board of the Company.

Mr. Rishabh Shah is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director. The Company has also received declaration from Mr. Rishabh Shah that he meets the criteria of independence as provided under Section 149 (6) of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Rishabh Shah fulfil the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and Mr. Rishabh Shah is independent of the management.

Copy of draft letter of Appointment of Mr. Rishabh Shah setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company. Mr. Rishabh Shah and his relative are interested in the resolutions set out at the Item No. 5 with regard to his re-appointment.

Except Mr. Rishabh Shah, no other Director, Key Managerial Personnel (KMP) or their respective relatives are concerned or interested in the resolutions mentioned at Items No. 5 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of your Company recommends the passing of Special Resolution as set -out under Item No. 5 of the Notice for approval by the members.

Item No. 6 & 7

The Company appreciates the critical role people play in the organizational growth. It strongly feels that the value created by its people should be shared with them. To promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize critical talents, the Company is intending to issue employee stock options under an Employee Stock Option Scheme namely '**Arshiya Limited Employee Stock Option Scheme 2019' (hereinafter referred to as "ESOP Scheme 2019")** to the Employees and Directors of the Company, as determined from time to time.

The Members are informed that the Company intends to offer not more than 1,00,00,000 (One Crore) Equity Shares of face value of ₹ 2/- each under the ESOP Scheme 2019 by way of grant of Options. The ESOP Scheme 2019 will be administered by the Nomination and Remuneration Committee **('Committee')** of the Board constituted pursuant to the provisions of Section 178 of the Companies Act, 2013.

To promote the culture of employee ownership, approval of Members is being sought for grant of Stock Options to certain employees and directors of the Company, it's holding and subsidiary company (ies).

The ESOP Scheme 2019 is being formulated in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **("SEBI SBEB Regulations")**. Relevant details with respect to the aforementioned ESOP Scheme 2019 are as follows:

a) Brief description of the Scheme:

The Company proposes to introduce ESOP Scheme 2019 to attract, reward and retain the talented and key eligible employees of the Company in the competitive environment and encourage them to align individual performance with the Company's objectives. The Company views employee stock options as instruments that would enable the employees to share the value they would create and contribute to the Company in the years to come. Stock Options granted under the Scheme shall vest on satisfaction of vesting conditions which can thereafter be exercised resulting in allotment of equity shares of the Company.

The Nomination and Remuneration Committee **("Committee")** shall administer ESOP Scheme 2019. All questions of interpretation of the ESOP Scheme 2019 shall be determined by the Committee and such determination shall be final, conclusive and binding.

b) Total number of options to be granted:

A total of 1,00,00,000 (One Crore) stock options would be available for being granted to eligible employees of the Company under ESOP Scheme 2019. Each stock option when exercised would be converted into one Equity Share of face value of ₹2/- each fully paid-up Equity Share of the Company. The stock options may be granted in one or more tranches as may be decided by the Committee.

The Stock Options not vested due to non-fulfilment of the vesting conditions, vested Stock Options which the grantees expressly refuse to exercise, Stock Options (vested and not exercised and unvested) which have been surrendered and any Stock Options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these Stock Options or the underlying Equity Shares will be available for grant under the present ESOP Scheme 2019 subject to compliance with applicable laws. The Board/Committee is authorized to re-grant such lapsed / cancelled stock options as per ESOP Scheme 2019.

In case of any corporate action(s) such as right issues, bonus issues, change in capital structure, merger, demerger, split, consolidation of equity shares, sale of division/undertaking or other reorganisation of capital structure of the Company, as applicable from time to time, the ceiling as aforesaid of 1,00,00,000 (One Crore) Equity Shares shall be deemed to be increased/ decreased, as may be determined by the Board, to facilitate making a fair and reasonable adjustment to the entitlements of participants under the ESOP Scheme 2019.

c) Identification of classes of employees entitled to participate in the ESOP Scheme 2019:

Following classes of employees are entitled to participate in ESOP Scheme 2019 **(hereinafter referred to as the 'Eligible Employees'):**

a. Permanent employees of the Company, whether working in India or outside India;

b. Director of the Company, whether a whole-time director or not;

c. Employees/directors as enumerated in sub clauses (a) and (b) above, of a Holding Company and Subsidiary Company (ies) of the Company (whether existing presently or in the future), whether working in India or outside India; and

d. Such other persons, as may from time to time be allowed under Applicable Laws and as may be decided by the Committee.

Following classes of Employees/ Directors shall not be eligible to participate in ESOP Scheme 2019:

a. an employee who is a Promoter or belongs to the Promoter Group;

b. a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

c. an Independent Director within the meaning of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d) Requirements of vesting and period of vesting:

The Options granted shall vest, not earlier than one year and not later than four years from the date of grant of options, so long as the employee continues to be in the employment of the Company, as the case may be. Vesting shall happen in one or more tranches, subject to such terms and conditions of vesting as specified in ESOP Scheme 2019 or its modifications thereof.

e) The maximum period within which the options shall be vested:

The maximum period within which the stock options granted under ESOP Scheme 2019 shall vest not later than 4 (Four) years from the date of grant of such options.

f) Exercise price or pricing formula:

The exercise price shall be fixed by the Committee at its discretion and specified in the grant letter but it shall not be less than the face value of the shares as on date of grant (subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the SEBI SBEB Regulations).

g) Exercise Period and the process of exercise:

The Exercise Period will commence from the date of vesting and will expire not later than one year from the date of vesting of Stock Options or within five years from the date of grant of Stock Options, whichever is earlier or such other period as may be decided by the Board/ Committee, from time to time.

The Options will be exercisable by the employees by a written application to the Company to exercise the Options, in such manner and on execution of such documents, as may be prescribed by the Board/Committee from time to time.

The vested stock options shall lapse if not exercised within the specified exercise period.

h) Appraisal Process for determining the eligibility of the employees under ESOP Scheme 2019:

The stock options shall be granted to the employees as per performance appraisal system of the Company or where the Board may determine the eligibility criteria for the employees under the ESOP Scheme 2019 based on their evaluation on various parameters, such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential, etc., and such other factors as may be deemed appropriate by it.

i) Maximum number of options to be issued per employee and in aggregate:

The maximum number of Stock Options to be granted to any employee shall be decided by the Board or Nomination and Remuneration Committee. However, the total number of options to be granted to an employee under ESOP Scheme 2019 shall not be equal to or exceeding one percent (1%) of the paid up equity capital (excluding outstanding warrants and conversions) of the Company at the time of the grant of the option.

The maximum number of options which can be granted in aggregate under ESOP Scheme 2019 shall be 1,00,00,000 (One Crore) which shall be adjusted in lieu of corporate actions, adjustments/ re-organisation of capital structure of the Company from time to time.

j) Maximum quantum of benefits to be provided per employee under the ESOP Scheme 2019:

The maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to the difference between the option exercise price and the market price of the shares as on the exercise date.

k) Implementation or administration of ESOP Scheme 2019:

The ESOP Scheme 2019 shall be implemented and administered directly by the Company through Nomination and Remuneration Committee.

l) ESOP Scheme 2019 involves new issue shares by the Company or secondary acquisition by the trust or both:

The ESOP Scheme 2019 involves new issue of Equity Shares by the Company.

m) Lock-in period:

The shares issued pursuant to exercise of options shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under any policy of the Company on disposal of Company securities and provisions of applicable laws particularly after listing of securities of the Company.

n) Disclosure and Accounting Policies:

The Company shall comply with such applicable disclosure and accounting policies as prescribed by the SEBI SBEB Regulations and those prescribed by the concerned authorities from time to time.

o) Method of option valuation:

The Company shall adopt the fair value method or any other method as per applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India or prescribed under any other statutory provisions from time to time for valuation of options.

In the event the Company undertakes valuation as per the intrinsic value method, the difference between the employee compensation cost so computed and the cost that shall have been recognised if it had used the fair value of the Stock Options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earnings Per Share of the Company shall also be disclosed in the Directors' Report.

Regulation 6(1) of the SEBI SBEB Regulations requires that every employee stock option scheme shall be approved by the members of the company by passing a special resolution in a general meeting.

Further, as ESOP Scheme 2019 may entail further issue of equity shares, consent of the members is required by way of a special resolution pursuant to Section 62(1)(b) of the Companies Act, 2013. Accordingly, the Special Resolution set out at Item No. 6 of this Notice is proposed for approval by members.

SEBI SBEB Regulations also require separate approval of Members by way of special resolution to grant stock options to the employees of the Company's holding and subsidiary company(ies). Accordingly, a separate resolution under Item No. 7 is proposed, to grant stock options under ESOP Scheme 2019 to the employees/directors of the Company's holding and subsidiary company(ies), as may be decided by the Nomination and Remuneration Committee from time to time, under applicable laws.

The Options to be granted under the ESOP Scheme 2019 shall not be treated as an offer or invitation made to public for subscription of securities of the Company. The ESOP Scheme 2019 conforms to the SEBI SBEB Regulations.

A draft copy of the ESOP Scheme 2019 is available for inspection at the Company's Registered Office during official hours on all working days till the date of the Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested in these resolutions, except to the extent of the stock options that may be granted to them under the ESOP Scheme 2019.

The Board of Directors of your Company recommends the passing of Special Resolutions as set out under Items No. 6 & 7 of the Notice for approval by the members.

Item No. 8

Background

Arshiya Rail Infrastructure Ltd ("ARAIL") is a wholly owned material Subsidiary Company of Arshiya Limited ("Company") and is primarily engaged in the business of developing, operating and maintaining infrastructure facilities – Rail System, which consist of Pan India Rail Freight and allied Operations. ARIL holds Category I Private Container Train Operator (PCTO) license which allows the company to operate on Indian rail network on pan India basis catering to both Domestic and Exim traffic.

Proposed divestments and Consideration

In line with the objective of creating long term value for its shareholders by reviving the financial health of the Company, the Board of Directors of the Company at its meeting held on September 4, 2019, has subject to the approval of Shareholders, approved the proposal of 100% divestment by Company in its wholly owned material Subsidiary Company ARIL at such consideration as may be mutually agreed upon between the Company and prospective investor.

The Company may avail eligible Investment/ Merchant Banking Services as and when necessary, as independent valuers, for conducting a valuation exercise for ARIL. The consideration as may be decided for the proposed sale/divestment shall be in line with the valuation report of the independent valuers.

Rationale for sale

This section of business is under huge consolidation and the Holding Company doesn't have the requisite resources to keep up with the same. Further, the Holding Company has decided to focus on its core competencies of developing, operating and maintaining FTWZ and the newly ventured Data Centre.

The proceeds from this divestment are expected to generate such cash flow which in turn shall be mainly utilized towards reduction of bank borrowings. That eventually shall result in reducing the finance cost of the Company. The capital profit generated out of these divestments will help the Company to improve its net worth and overall position and improve its credit worthiness.

End use of sale proceeds

The proceeds from the divestments will be utilized towards payment/repayment of the whole or part of the existing debts of the Company and/or for general corporate purposes.

Approval

Pursuant to Regulation 24(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"), no company shall, without passing a special resolution in its general meeting dispose of shares in a 'material subsidiary' which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or result in the company ceasing to exercise control over the subsidiary, except in cases where such divestment is made under a Plan of arrangement duly approved by a court or the National Company Law Tribunal.

Further, Regulation 24(6) of Listing Regulations provides that selling assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of the Members by way of special resolution, unless the sale is made under a Plan of arrangement duly approved by a court or the National Company Law Tribunal.

The term "material subsidiary" is defined to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year.

In the last financial year, the consolidated income of ARIL accounted for more than 10% of the consolidated income of the Company, and accordingly ARIL qualifies as a 'material subsidiary' of the Company.

Accordingly, the sale of the entire shareholding of the Company in ARIL, following which the Company would not directly or indirectly hold 50% or more of the share capital of ARAIL; or (ii) have the power to appoint a majority of directors of ARIL, requires the approval of the Members of the Company through a special resolution.

Further, in terms of Section 180(1)(a) of the Act, the board of directors of a company cannot sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company (or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings) unless the members of the company consent by a special resolution in a general meeting.

The term 'undertaking' is defined to mean an undertaking in which the investment of the company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the company during the previous financial year.

As per the audited balance sheet of the last financial year, the investment of the Company in ARAIL accounted in excess of 20% of the consolidated net worth of the Company, and accordingly ARAIL constitutes an 'undertaking' of the Company under Section 180(1)(a) of the Act.

Accordingly, the sale of the entire shareholding of the Company in ARIL requires the approval of the Members of the Company through a special resolution.

The Board of Directors of your Company recommends the passing of Special Resolutions as set -out under Items No. 8 of the Notice for approval by the members.

None of the directors and/or key managerial personnel of the Company, and/or their respective relatives are in any way concerned or interested, financially or otherwise in the proposed resolution.

Item No. 9

Background

Arshiya Industrial & Distribution Hub Ltd. ("AIDHL") is a wholly owned material Subsidiary Company of Arshiya Limited ("Company") and is engaged in the business of providing facility of warehousing including temperature controlled storage and other cargo/logistics related activities through Inland Container Depot (ICD) and to build, operate, setup, manage & maintain Special Economic Zone (SEZ)..

Proposed divestments and Consideration

In line with the objective of creating long term value for its shareholders by reviving the financial health of the Company, the Board of Directors of the Company at its meeting held on September 4, 2019, has subject to the approval of Shareholders, approved the proposal of 100% divestment by Company in its wholly owned material Subsidiary Company AIDHL at such consideration as may be mutually agreed upon between the Company and prospective investor.

The Company may avail eligible Merchant Banking Services as and when necessary, as independent valuers, for conducting a valuation exercise for AIDHL. The consideration as may be decided for the proposed sale/divestment shall be in line with the valuation report of the independent valuers.

Rationale for sale

This section of business is under huge consolidation and the Holding Company doesn't have the requisite resources to keep up with the same. Further, the Holding Company has decided to focus on its core competencies of developing, operating and maintaining FTWZ and the newly ventured Data Centre.

The proceeds from this divestment are expected to generate such cash flow which in turn shall be mainly utilized towards reduction of bank borrowings. That eventually shall result in reducing the finance cost of the Company. The capital profit generated out of these divestments will help the Company to improve its net worth and overall position and improve its credit worthiness.

End use of sale proceeds

The proceeds from the divestments will be utilized towards payment/repayment of the whole or part of the existing debts of the Company and/or for general corporate purposes.

Approval

Pursuant to Regulation 24(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"), no company shall, without passing a special resolution in its general meeting dispose of shares in a 'material subsidiary' which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or result in the company ceasing to exercise control over the subsidiary, except in cases where such divestment is made under a Plan of arrangement duly approved by a court or the National Company Law Tribunal.

Further, Regulation 24(6) of Listing Regulations provides that selling assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of the Members by way of special resolution, unless the sale is made under a Plan of arrangement duly approved by a court or the National Company Law Tribunal.

The term "material subsidiary" is defined to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year.

In the last financial year, the consolidated net worth of AIDHL accounted for more than 10% of the consolidated net worth of the Company, and accordingly AIDHL qualifies as a 'material subsidiary' of the Company.

Accordingly, the sale of the entire shareholding of the Company in AIDHL, following which the Company would not directly or indirectly hold 50% or more of the share capital of AIDHL; or (ii) have the power to appoint a majority of directors of AIDHL, requires the approval of the Members of the Company through a special resolution.

Further, in terms of Section 180(1)(a) of the Act, the board of directors of a company cannot sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company (or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings) unless the members of the company consent by a special resolution in a general meeting.

The term 'undertaking' is defined to mean an undertaking in which the investment of the company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the company during the previous financial year.

As per the audited balance sheet of the last financial year, the investment of the Company in ARAIL accounted in excess of 20% of the consolidated net worth of the Company, and accordingly ARAIL constitutes an 'undertaking' of the Company under Section 180(1)(a) of the Act.

Accordingly, the sale of the entire shareholding of the Company in AIDHL requires the approval of the Members of the Company through a special resolution.

The Board of Directors of your Company recommends the passing of Special Resolutions as set -out under Items No. 9 of the Notice for approval by the members.

None of the directors and/or key managerial personnel of the Company, and/or their respective relatives are in any way concerned or interested, financially or otherwise in the proposed resolution.

Item No. 10.

Mr. Ananya A Mittal was appointed as "Chief Strategy Officer (CSO)" of the Company, with effect from 12th November, 2016 on a total remuneration of ₹ 2,45,000/- per month which was well within the limits as prescribed under the Companies Act, 2013. In view of his focal role as CSO and increased responsibilities the nomination and remuneration committee has considered and approved increase of his remuneration to ₹ 5,00,000/- (Exclusive of performance based incentive of upto maximum of ₹ 60,00,000/- p.a.) per month which is in excess of ₹2,50,000/- per month limit within which the Board have power to approve the remuneration under Section 188 of the Companies Act, 2013. Further, his remuneration may be reviewed and revised from time to time by his employer as per its remuneration policy. Besides salary, his remuneration will also include all basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities, and conveniences etc., as may be permitted under the Act and Rules made thereunder. Mr. Ananya A Mittal, aged 29 years is Mechanical Engineer from the prestigious Brown University and has been involved in reviewing and assessing viability of new projects, making proposals and bids and interacting with various stakeholders. Mr. Ananya A Mittal is a related party within the definition of Section 2(76) of the Companies Act 2013 ("the Act"). Pursuant to the provisions of Section 188 of the Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, appointment of any related party to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding ₹ 2,50,000/-per month requires prior approval by way of special resolution of the Company. Hence, approval of members is sought payment of such remuneration to him by the company as proposed in the resolution under this item of business. The information as required in accordance with Rule 15 of Companies (Meetings of Board & its Powers) Rules, 2014, as well as pursuant to Sec. 102 of the Act is as under:

(a)	Name of the related party	Mr. Ananya A Mittal
(b)	Name of the Director or Key Managerial Personnel who is related	Mr. Ajay S Mittal and Mrs. Archana A Mittal, Managing Director and Joint -Managing Director respectively
(c)	Nature of relationship	Mr. Ananya A Mittal is Son of Mr. Ajay S Mittal and Mrs. Archana A Mittal Managing Director and Joint -Managing Director respectively of the Company and both are the Promoters of the Company.
(d)	Nature, material terms, monetary value and particulars of the contract or arrangement:	Revision in remuneration of Mr. Ananya A Mittal- Chief strategy Officer of the Company, to consolidated remuneration of ₹ 10,00,000 per month with effect from 1st October, 2019. He will be also entitled for basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities and conveniences etc., as per rules of his employer. The terms of employment and remuneration of Mr. Ananya A Mittal may be varied from time to time by his employer based on the industry standards prevailing for similar position and based on his performance evaluation, by the Nomination and Remuneration Committee. No duration or period for his employment is fixed, however, termination and other terms shall be governed by his appointment letter and rules and HR policy of the Company. Mr. Ananya Mittal may be re-designated by the Company from time to time at its discretion within the preview of the Act, laws, rules, and regulation governing at the time of such change.

The Board of Directors of the Company at its meeting held on September 4, 2019, has approved the aforesaid revision in terms of appointment of Mr. Ananya A Mittal. The Audit Committee has also approved the same.

The Board of Directors of your Company recommends the passing of Special Resolutions as set -out under Items No. 10 of the Notice for approval by the members.

Except Mr. Ajay S Mittal and Mrs. Archana A Mittal none of the directors and/or key managerial personnel of the Company, and/or their respective relatives are in any way concerned or interested, financially or otherwise in the proposed resolution.

Item No.11

The following disclosure is made in accordance with the provisions of the Companies Act, 2013 **("the Act")** and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended thereof (hereinafter referred to as ***"SEBI (ICDR) Regulations"***).

1. **OBJECT OF THE PREFERENTIAL ISSUE:**

   The company agreed to settle part of the outstanding dues amounting to ₹ 70,00,000 with Ms. Isha LaxmiNarayan, the creditor of Arshiya Limited ('the Company/AL') as per the Consent Terms. Therefore, the Board of Directors of the company in its meeting held on 04th September, 2019 has decided to create, offer, issue and allot on preferential basis upto 2,18,750 (Two Lakh Eighteen Thousand Seven Hundred and Fifty Only) equity shares of face value of ₹ 2/- each at a price of ₹ 32/- each [Rupees Thirty-Two only] (including premium of ₹ 30/- each [Rupees Thirty only]), being the price not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter V of SEBI (ICDR) Regulations as amended.

   The following are the details of the creditor, who has agreed to convert part of the outstanding dues into equity shares of face value of ₹ 2/- each of the Company:

Name of the Creditor/ Proposed Allottee	Amount of outstanding dues as on 04/09/2019 (in ₹)	Maximum No. of equity shares to be allotted	Outstanding Amount of dues to be adjusted against issuance of equity shares of face value of ₹ 2/- each fully paid up on preferential basis @ ₹ 32/- per share (in ₹)	Balance amount continue to be as outstanding (in ₹)
	(A)	**(B)**	**(C)**	**(D)=(A-C)**
Ms. Isha LaxmiNarayan	1,30,00,000	2,18,750	70,00,000	60,00,000

2. **MAXIMUM NUMBER OF SPECIFIED SECURITIES TO BE ISSUED:**

   To create, offer, issue and allot on a preferential basis to Ms. Isha LaxmiNarayan (Non-Promoter) upto 2,18,750 (Two Lakh Eighteen Thousand Seven Hundred and Fifty Only) equity shares of face value of ₹ 2/- each.

3. **THE CLASS OR CLASSES OF PERSONS TO WHOM THE ALLOTMENT IS PROPOSED TO BE MADE:**

   The Allotment is proposed to be made to the Proposed Allottee as mentioned at point no. 9 below.

4. **INTENT OF THE PROMOTERS, DIRECTORS OR KEY MANAGEMENT PERSONNEL OF THE COMPANY TO SUBSCRIBE TO THE OFFER:**

   None of the promoters, directors or key management personnel of the Company intends to subscribe to the proposed preferential offer.

5. SHAREHOLDING PATTERN BEFORE AND AFTER THE PROPOSED ISSUE:

Sr. No	CATEGORY	Pre-Issue Equity Holdings		No. of equity shares proposed to be issued	Post-Issue Equity Holdings*	
		No. of Shares	% of Shareholding	No. of Shares	No. of Shares	% of Shareholding
A	**Promoter's Holding**					
1	**Indian Promoters**					
	Mr. Ajay S Mittal	3,83,56,437	15.59	0	3,83,56,437	15.58
	Mrs. Archana A Mittal	8,85,59,788	35.99	0	8,85,59,788	35.96
2	**Foreign Promoters**	**0**	**0.00**	**0**	**0**	**0.00**
	Sub-Total (A)	**12,69,16,225**	**51.58**	**0**	**12,69,16,225**	**51.54**
B	**Non-Promoter's Holding**					
1	**Institutions:**	**44,63,936**	**1.81**	**0**	**44,63,936**	**1.81**
2	**Non-Institutions:**					
	Private Corporate Bodies	8,34,05,384	33.90	0	8,34,05,384	33.87
	Directors and relatives	24,745	0.01	0	24,745	0.01
	Indian Public	2,54,99,294	10.36	2,18,750	2,57,18,044	10.44
	Others (including NRIs)	57,35,081	2.33	0	57,35,081	2.33
	Sub-Total (B)	**119,128,440**	**48.42**	**218,750**	**119,347,190**	**48.46**
	TOTAL (A+B)	**246,044,665**	**100.00**	**218,750**	**246,263,415**	**100.00**

* Assuming entire 2,18,750 equity shares to be issued under this Preferential issue is allotted.

Note: The Pre-Issue shareholding is as on 04.09.2019

6. NO CHANGE IN CONTROL:

The existing promoters of the company will continue to be in control of the company and there will not be any changes in the management/control of the company as a result of the proposed preferential allotment.

7. LOCK-IN PERIOD:

The equity shares to be allotted on preferential basis shall be locked in, for such period as prescribed in Chapter V of SEBI (ICDR) Regulations.

The entire pre preferential holding of the allottee, if any shall be locked in from the Relevant Date upto a period of six months from the date of trading approval granted by the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed and having Nationwide Trading Terminals.

8. PROPOSED TIME WITHIN WHICH THE ALLOTMENT WILL BE COMPLETED:

The proposed allotment of Equity Shares will be completed, in accordance with Regulation 170 of SEBI (ICDR) Regulations, within 15 (fifteen) days period from the later of: **(i)** date of passing of the shareholders' special resolution ; or **(ii)** receipt of the permission or approval from any regulatory authority or the Central Government, if any, including receipt of the 'in principle approval' from all the stock exchanges (pursuant to Regulation 28 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) where the shares of the Company are listed.

The allotment of equity shares will be completed in dematerialized form.

9. IDENTITY OF NATURAL PERSONS WHO ARE THE ULTIMATE BENEFICIAL OWNERS OF THE SHARES PROPOSED TO BE ALLOTED AND/OR WHO ULTIMATELY CONTROL THE PROPOSED ALLOTTEES AND THE PERCENTAGE OF POST PREFERENTIAL ISSUE CAPITAL THAT MAY BE HELD BY THE ALLOTTEES:

In compliance with Regulation 163(1)(f) of SEBI (ICDR) Regulations, 2018 and amendments thereof and also in compliance with SEBI Circular No. CIR/MIRDS/2/2013 dated January 24, 2013, details of the proposed allottee to whom securities to be issued pursuant to the Special Resolution at Item No. 11 of the Notice and the percentage of the expanded capital to be held by the proposed allottee after the proposed allotment of the said securities are as under:

Name of Proposed Allottee	Identity of Natural Persons Who are the Ultimate Beneficial Owners	Pre-Issue Equity Holdings		No. of equity shares proposed to be issued	Post-Issue Equity Holding*	
		No. of Shares	% of Shareholding		No. of Shares	% of Shareholding
Non-promoter						
Ms. Isha LaxmiNarayan	Ms. Isha LaxmiNarayan	0	0.00	2,18,750	2,18,750	0.08

* Assuming entire 2,18,750 equity shares to be issued under this Preferential issue is allotted.

The consent of the Members is sought for the issue of Equity Shares in terms of Section 62 of the Companies Act, 2013, and all applicable provisions of the Companies Act, 2013 and in terms of the provisions of the SEBI (ICDR) Regulations and the listing agreements entered into by the Company with the stock exchanges, where the Company's equity shares are listed.

10. PRICING:

The issue price of the equity shares to be allotted on preferential basis shall be at a price of ₹ 32/- each [Rupees Thirty-Two only] (including premium of ₹ 30/- each [Rupees Thirty only]), being the price not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter V of SEBI (ICDR) Regulations as amended.

11. NUMBER OF PERSONS TO WHOM ALLOTMENT ON PREFERENTIAL BASIS HAVE BEEN MADE DURING THE YEAR, IN TERMS OF NUMBER OF SECURITIES AS WELL AS PRICE:

During the year, the Company has not made any allotment on Preferential Basis except allotment of 4,55,772 Compulsory Convertible Debentures ('CCDs') of face value of ₹1000/- each at par and Zero percent Optionally Convertible Redeemable Preference Shares 2019 - Series I ('OCRPS') of face value of ₹10/- each at a price of ₹ 1,000/- each (which includes premium of ₹ 990) to 8 (Eight) Allottees (Non-Promoters) and subsequent conversion of 77,772 CCDs, out of 4,55,772 CCDs, into 24,30,373 Equity Shares of face value of ₹2/- each at a conversion price of ₹ 32.00/- per share.

12. NAME AND ADDRESS OF THE VALUER WHO PERFORMED VALUATION OF THE SECURITY OFFERED:

Pricing shall be as per Regulation 164 of SEBI (ICDR) Regulations and therefore, no separate valuation is required pursuant to Companies (Share Capital and Debentures) Rules, 2014 as amended.

13. AUDITOR'S CERTIFICATE:

The Statutory Auditors' Certificate, as mandated under Regulation 163(2) of the SEBI (ICDR) Regulations, certifying that the proposed preferential issue is being made in accordance with the requirement of SEBI (ICDR) Regulations shall be laid before the shareholders at the Annual General Meeting and shall be available for inspection at the Registered Office of the Company during working Hours between 10.00 a.m. to 2.00 p.m. on all working days till the date of passing of the special resolution.

14. RELEVANT DATE:

The "Relevant Date" for the purpose of determining the pricing of equity shares to be issued shall be 30 days prior to the date of this meeting of the Shareholders of the Company or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date.

15. OTHER DISCLOSURES:

a. It is hereby confirmed that neither the Company nor any of its Promoters or Directors are a willful defaulter.

b. None of the Directors and/or Key Managerial Personnel of the Company and/ or their relatives is deemed to be, in any way concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding, if any, in the Company.

The board of directors of the Company recommend passing of the resolution as set out at Item No. 11 as special resolution.

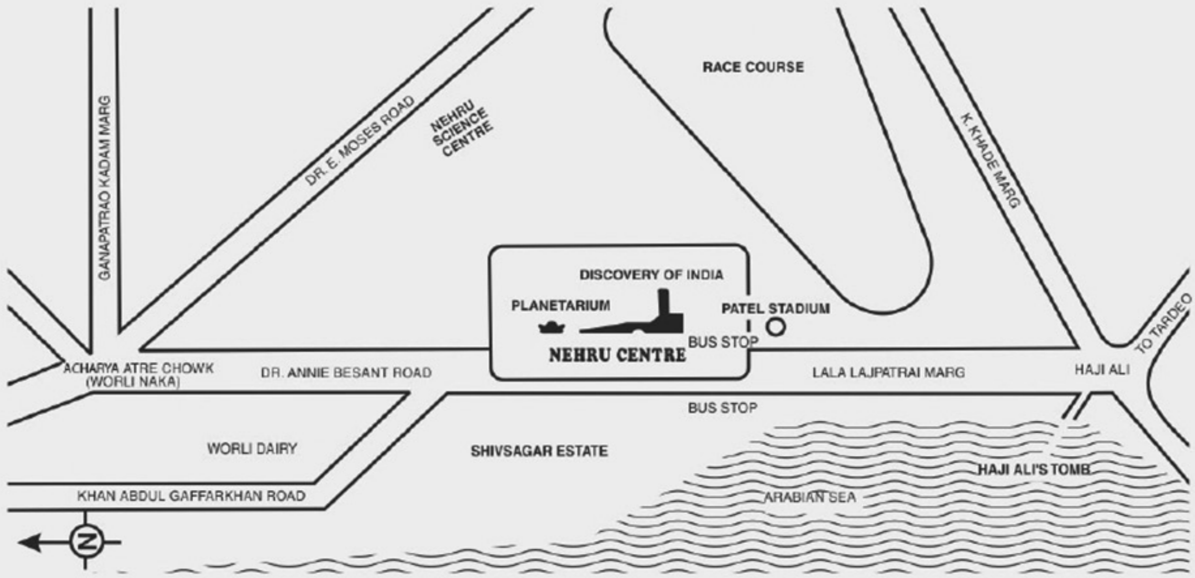
By Order of the Board of Directors
Arshiya Limited

Savita Dalal
Company Secretary

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

Date: 4th September, 2019
Place: Mumbai

Site Map to the venue



Location Map of Nehru Centre

DIRECTORS' REPORT

Dear Members,

Your Company's Directors take pleasure in presenting the Thirty Eighth Annual Report along with Audited Financial Statements of your Company and its subsidiaries for the Financial Year ended March 31, 2019.

1. FINANCIAL HIGHLIGHTS:

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	Financial Year Ended	Financial Year Ended	Financial Year Ended	Financial Year Ended
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Income from Operations	13,139.98	8,542.02	28,937.38	25,906.69
Total Expenditure	5,429.45	3,109.68	26,336.43	22,143.40
Operating Profit/(Loss)	7,710.53	5,432.34	2,600.95	3,763.29
Other Income	2,192.48	1,020.09	2,460.09	1,665.19
Profit before interest, Finance Cost, depreciation, amortization, exceptional item and tax	9,903.01	6,452.43	5,061.04	5,428.48
Finance Cost	11,236.53	13,761.94	27,559.39	31,598.39
Cash Profit/(Loss)	-1,333.52	-7,309.51	-22,498.35	-26,169.91
Depreciation and Amortization Expenses	1,482.22	2,091.67	9,419.56	10,171.76
Profit/(Loss) Before Exceptional Items, Prior Period Adjustment and Tax	-2,815.74	-9,401.18	-31,917.91	-36,341.67
Exceptional Items (Net)	700.75	-13,296.84	-5,167.04	-39,473.20
Profit/(Loss) Before Tax	-3,516.49	3,895.66	-26,750.87	3,131.53
Tax Expenses	-	-	6.98	27.42
Net Profit/(Loss) After Tax	-3,516.49	3,895.66	-26,757.85	3104.44
Add: Other Comprehensive Income (Items that will not be re classified to profit and loss)	8.11	-2.69	-28.57	-9.67
Total Comprehensive Income carried to other equity	-3,508.38	3,892.97	-26,786.42	3094.44

2. RESULTS OF OPERATIONS:

Standalone:

During the year under review your Company has reported a standalone total income of ₹ 15,332.46 Lakhs as compared to ₹ 9,562.11 Lakhs for the previous year. Further, your Company has reported loss after tax of ₹ 3,516.49 Lakh as compared to the profit after tax of ₹ 3,895.66 Lakhs in previous year.

Consolidated:

During the year under review your Company has reported a consolidated total income of ₹ 31,397.47 Lakhs as compared to ₹ 27,571.88 Lakhs for the previous year. Further, your Company has reported loss after tax of ₹ 26,757.85 Lakh as compared to the profit after tax of ₹ 3,104.44 Lakhs in previous year.

3. DIVIDEND:

In view of losses, the Directors regret their inability to recommend dividend for the financial year ended March 31, 2019.

4. CHANGE IN CAPITAL STRUCTURE:

A detailed 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 March 31, 2019 the Company has 12 subsidiary Companies and 3 step down Subsidiary Companies, out of which one company namely Arshiya Rail Infrastructure Limited was a material Subsidiary.

As on date Five companies namely Arshiya Rail Infrastructure Limited, Arshiya Industrial and Distribution Hub Limited, Arshiya Northern FTWZ Limited, Arshiya Lifestyle Limited and Arshiya Logistics Services Limited are identified as the Material subsidiaries in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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 Companyhttp://www.arshiyalimited.com/annual-reports-subsidiaries.

During the year following changes have taken place in the Subsidiary Companies.

Subsidiary Incorporated/Acquired:

During the year under review, your Company has incorporated 5 Subsidiary Companies and 3 Step down Subsidiary Companies.

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

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

10. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. DIRECTORS:

As per the requirements 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/assets/pdf/appointment-letters20160407091114.pdf

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

Mr. Ashishkumar Bairagra
Mr. Rishabh Shah
Mr. Mukesh Kacker
Mr. T. S. Bhattacharya

i. Appointment, Reappointment and Resignation:

During the year review Mr. T. S. Bhattacharya has joined the Board of your Company as an (Additional) Independent Director w.e.f. May 24, 2018 whose appointment was regularized as at 37th Annual General Meeting held on September 18, 2018 to hold office till May 23, 2023 as his First Term of Appointment.

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

The Independent Directors of the Company viz. Mr. Ashishkumar Bairagra, Mr. Rishabh Shah and Mr. Mukesh Kacker were appointed as an Independent Directors of the Company at the Annual General Meeting of the Company held on September 10, 2014 to hold office for a term of 5 (five) consecutive years up to September 09, 2019, in line with the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 ('Act') including the rules made thereunder and the erstwhile Listing Agreement.

It is proposed that Mr. Ashishkumar Bairagra and Mr. Rishabh Shah, Independent Directors be reappointed for a second term of 5 (five) consecutive years to hold office from September 10, 2019 to September 09, 2024.

Accordingly, necessary resolutions are being placed for approval of the members at the 38th Annual General Meeting of the Company.

Brief details of the Director proposed to be appointed / 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.

B. KEY MANAGERIAL PERSONNEL

Mr. Ajay S Mittal- Managing Director, Mrs. Archana A Mittal- Joint Managing Director, and Ms. Savita Dalal Company Secretary are the Key Managerial Personnel of the Company, in terms of Section 2(51) read with Section 203(1) of the Companies Act, 2013.

Mr. S Maheshwari Chief Financial Officer of the Company resigned as Chief Financial Officer w.e.f. June 30, 2019 and Mr. Dinesh Kumar Sodani was appointed as Chief Financial officer w.e.f. August 09, 2019.

i. Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 confirming that they 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) Regulations, 2015.

ii. Committees of the Board

The Board have Five Committees namely Audit Committee, Nomination and Remuneration Committee, Share Transfer, Investor Grievances & Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Committee of Directors.

A detailed note on Board and its committees is provided in the Corporate Governance Report section of this Annual Report.

iii. Board Diversity

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

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

During the year Seven Meetings were held. The details of the meetings of the Board held during the financial year 2018-19 forms part of the Corporate Governance Report. The intervening gap between any two meetings did not exceed 120 days as prescribed by Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & amendments thereof plus the Companies Act, 2013 & its amendments thereof.

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/assets/pdf/nomination-and remunerationpolicy20160407103702.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

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.

vii. Familiarisation Program for Independent Directors

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

Further, at the time of the appointment of Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties, and responsibilities.

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 March 31, 2019, the applicable accounting standards have been followed and no material departures have been made from the same.

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

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

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

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

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

D. AUDITORS AND AUDITORS' REPORT:

i.) Statutory Auditors:

Chaturvedi & Shah LLP, Chartered Accountants, was appointed as Statutory Auditors of the Company for a period of five year from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting to be held in the year 2022. The requirement of Annual ratification of Auditors' appointment at the AGM has been omitted pursuant to the Companies Amendment Act, 2017 notified on May 7, 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 2019 form part of this Annual Report.

Audit Report on Standalone Financial Statement:

There is no qualifications in the Auditors' report on Standalone Financial Statement, accordingly Management's response is not required.

Audit Report on Consolidated Financial Statement:

Details of Qualification:

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 and provided for additional interest. Had the subsidiary company reversed the gain recorded and provided for additional interest, exceptional item would have been lower by ₹ 6,604.55 Lakh and finance cost would have been higher ₹ 3,500.76 Lakh having consequential impact on total comprehensive income, liabilities and other equity.

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

The subsidiary Company is re-negotiating the One Time Settlement (OTS) with the Bank including the extension of time limit for payment of OTS amount.

iii.) Cost Auditor:

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records.

The Board of Directors, on the recommendation of Audit Committee, appointed Prashant Karlekar & Associates, Practicing Cost Accountants (Firm Registration No. 16075) as Cost Auditors to audit the cost accounts of the Company for the financial year 2018-19 and 2019-20 at a remuneration of ₹ 60,000/- (Rupees Sixty Thousand only) per annum plus applicable taxes and ₹ 12,000/- (Rupees Twelve Thousand only) reimbursement of out of pocket expenses.

As required under the Act, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

There is no qualification in the Cost Audit Report.

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 2018-19. The Secretarial Audit Report for the Financial Year 2018-19 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.

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.

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:

The Company has not issued any equity shares with differential rights / sweat equity shares/ employee stock options or not made any provision of its own shares by employees or by trustees for the benefit of employees during the financial year 2018-2019.

The Company has not made any purchase or provision of its own shares by employees or by trustees for the benefit of employees during the financial year 2018-2019.

I. BUSINESS AND FUTURE OUTLOOK:

Business Segments:

FREE TRADE WAREHOUSING ZONE (FTWZ)

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

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

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

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

3 PL Services

Your 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. Your Company also provides Information Technology (IT) enabled services to its clients.

DOMESTIC WAREHOUSING FACILITY

Your Company commenced offering domestic warehousing facility in NCR at Khurja in 2018. We are pleased to advise that one warehouse which was domesticated in 2018 has been completely leased out along with almost 300,000 sqft 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 Q3 of FY 19. 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.

RAIL INFRASTRUCTURE & TRANSPORT HANDLING

Your subsidiary Company which is providing the containerised Rail Transportation services on a Pan-India basis with its fleet of 18 Rakes and around 3,000 containers, continued a steady performance in FY18 and benefitted from various initiatives to reduce empty movement, improved availability of required type of containers, cost reduction measures and turnaround time.

PRIVATE FREIGHT TERMINAL

Your subsidiary Company has 6 lane Private Freight and Container Rail Terminals and 2 sidings for bulk cargo in NCR at Khurja in the state of Uttar Pradesh.

Your Company has faced the challenge of slowdown in the bulk cargo movement in 2018, in comparison to 2017 due to stoppage of DFC project as well as Yamuna Express way extension project owing to farmers agitation in UP followed by elections. In FY2019, the business is expected to return with higher zeal for not only the DFC project and Yamuna Express way project but also for the movement of material for the recently announced Jewar Airport, which is envisaged to be bigger than the existing Delhi Airport. Your facility being just about 12 Kms from the proposed Jewar Airport site, is expected to be the hub of receiving massive quantities of construction material, thereby making more than full use of your Private Freight Terminal

INLAND CONTAINER DEPOT (ICD)

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

We are pleased to inform that your ICD commenced full-fledged operations in Sept 2018 and currently connects Khurja to Mundra as well as Pipavah ports and return, once a week respectively. Your ICD currently handles about 1500 containers a month and plans are being worked out to increase this volume to around 5000 containers a month in FY 2019.

Some of the key initiatives have been:

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

J. 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 2019-2020.

K. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

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

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

L. POLICIES

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

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

Name of the Policy	Brief Description	Web Link
Nomination and Remuneration Policy	The purpose of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.	http://www.arshiyalimited.com/assets/pdf/nomination-and-remuneration-policy20160407103702.pdf
Related Party Transaction Policy	The purpose of this policy is to regulate all transactions between the Company and its related parties.	http://www.arshiyalimited.com/assets/pdf/related-party-transaction-policy20160407103809.pdf

Code of conduct for prevention of insider trading& Code of corporate disclosure practices	The purpose of this Policy is to provide the framework for dealing in securities of the Company.	http://www.arshiyalimited.com/assets/pdf/insider-trading-code20160407090651.pdf
Policy on Material Subsidiary	The purpose of this policy is to determine the material subsidiaries and to provide the governance framework for them.	http://www.arshiyalimited.com/assets/pdf/policy-on-material-subsidiaries20160407103840.pdf
Risk management Policy	The purpose of this policy is to lay down the framework of the Risk Management.	http://www.arshiyalimited.com/assets/pdf/risk-management-policy20160407103904.pdf
Whistle Blower Policy (Policy on Vigil Mechanism)	The purpose of this policy is to provide mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	http://www.arshiyalimited.com/assets/pdf/vigil-mechanism-whistle-blower-policy20160407104143.pdf
Policy on Board Diversity	The purpose of this policy is to have optimum combination of Directors from different areas and fields.	http://www.arshiyalimited.com/assets/pdf/policy-on-board-diversity20160407104216.pdf
Archival Policy	The purpose of this Policy is to archive any of the material events or information which are disclosed by the Company to the Stock Exchanges.	http://www.arshiyalimited.com/assets/pdf/archival-policy120160613145605.pdf
Policy for determination of Materiality of any event / information	The purpose of this Policy is to determine materiality of events and information and to ensure that the Company shall make disclosure of events / information.	http://www.arshiyalimited.com/assets/pdf/policy-for-determination-of-materiality-of-any-event--information_120160613145521.pdf
Policy for preservation of documents	The purpose of this Policy is to ensure that all the necessary documents and records of the Company are adequately protected and preserved as per the statutory requirements.	http://www.arshiyalimited.com/assets/pdf/policy-for-preservation-of-documents_120160613145057.pdf
Policy on Corporate Social Responsibility	The purpose of this policy is to identify the activities wherein the Company can contribute for fulfilling its Corporate Social Responsibility.	http://www.arshiyalimited.com/arshiya/assets/pdf/csr-policy_120160620105217.pdf

M. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

As per the provisions of the Companies Act, 2013, the Company was not required to make a mandatory spending for the CSR Activities.

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

N. HUMAN RESOURCES

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

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

Your Company continues to enjoy cordial and harmonious relations and not a single man hour was lost on account of any Industrial disturbance during the year 2018-19.

O. 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.

P. 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.

Q. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. 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 posted on the website of the Company athttp://www.arshiyalimited.com/assets/pdf/vigil-mechanism-whistle-blower-policy20160407104143.pdf

R. 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.

S. 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.

T. RISK MANAGEMENT:

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 minimise such risks on the operations of the company. The Company has established a well – defined process of risk management which includes identification, analysis and assessment of various risks, measurement of probable impact of such risks and a strong mechanism to deal with potential risks and situation leading to rise of risks in an effective manner.

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

U. HEALTH, SAFETY AND ENVIRONMENT:

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

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

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

V. 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

W. 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.

X. 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.

ACKNOWLDGEMENT

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

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

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

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

Place **:** Mumbai
Dated **:** September 04, 2019

ANNEXURE TO THE BOARD'S REPORT

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 Industrial & Distribution Hub Limited	31st March, 2019	INR	1,723.72	13,293.43	67,614.82	52,597.67	-	1,192.12	-6,333.09	-	-6,333.09	100%
2	Arshiya Northern FTWZ Limited	31st March, 2019	INR	1,086.87	18,337.19	75,763.88	56,339.82	-	460.80	-7,955.52	-	-7,955.52	100%
3	Arshiya Rail Infrastructure Limited	31st March, 2019	INR	4,238.44	-18,197.13	51,313.60	65,272.29	-	13,614.83	-4,159.12	-	-4,159.12	100%
4	Arshiya Transport And Handling Limited	31st March, 2019	INR	5.00	-1,079.59	0.02	1,074.61	-	-	-114.85	-	-114.85	100%
5	Arshiya Technologies (India) Private Limited	31st March, 2019	INR	10.12	-13.82	0.20	3.90	-	-	-0.82	-	-0.82	100%
6	Arshiya Lifestyle Limited	31st March, 2019	INR	148.50	1,853.11	4,707.56	2,705.95	-	10,165.30	33.84	6.98	26.86	100%
7	Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited)	31st March, 2019	INR	160.00	-233.91	1,958.26	2,032.17	5.00	6,795.46	-108.88	-	-108.88	100%
8	Anomalous Infra Private Limited	31st March, 2019	INR	11.00	920.59	7,003.80	6,072.21	-	-	-171.24	-	-171.24	100%
9	Arshiya Northern Projects Private Limited	31st March, 2019	INR	5.00	-6.03	5.00	6.03	-	-	-6.03	-	-6.03	100%
10	Arshiya Infrastructure Developers Private Limited	31st March, 2019	INR	1.00	-0.26	1.00	0.26	-	-	-0.26	-	-0.26	100%
11	Laxmipati Balaji Supply Chain Management Private Limited	31st March, 2019	INR	5.00	-0.47	22.32	17.79	-	-	-0.47	-	-0.47	100%
12	Unrivalled Infrastructure Private Limited	31st March, 2019	INR	1.00	-0.26	1.00	0.26	-	-	-0.26	-	-0.26	100%
13	Arshiya 3PL Services Private Limited	31st March, 2019	INR	5.00	-0.97	4.54	0.51	-	-	-0.97	-	-0.97	Nil (2*)

(1*) % of Share Holding including beneficial interest/ voting power (either directly/indirectly or through subsidiaries).
(2*) 100% held through Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading 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

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer
and Group President

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP - Accounts & Finance

Place: Mumbai
Date: 27th May, 2019

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 March 31, 2019, which were not at arm's length basis.

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

   The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2019.

SL. No.	Particulars	Details	
a.	Name (s) of the related party	Anomalous Infra Private Limited	Arshiya Lifestyle Limited
b.	Nature of relationship	Wholly owned Subsidiary	Wholly owned Subsidiary
c.	Nature of contracts/ arrangements / transaction	Lease Agreement	Business Conducting Agreement
d.	Duration of the contracts/ arrangements/ transaction	30 years	6 Years
e.	Salient terms of the contracts or arrangements or transaction including the value, if any	Lease/ ₹ 7,000.00 Lakh	Business Conducting Fees/ ₹ 3,351.11 Lakh
f.	Date of approval by the Board	November 27, 2018	January 29, 2018
g.	Amount paid as advances, if any	₹ NIL	₹ NIL

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 : September 04, 2019

Annexure III
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arshiya Limited.

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

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2019 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 (to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings);

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

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

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

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

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

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

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

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

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during 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. as mentioned above.

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

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

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

We further report that during the audit period, the following specific events were held:

1. During the year Company has allotted 15,00,000 Equity Shares upon Conversion of equal No. of Warrants of face value of ₹ 2/- each i.e. 15,00,000 equity shares of face value of ₹ 2/- each on preferential basis to the Promoter on 20th April, 2018.

2. Company has Appointed Mr. Tara Sankar Bhattacharya as an Additional Independent Director on May 24, 2018. Whose appointment was regulation at 37th Annual General Meeting held on September 18, 2018 to hold office till May 23, 2023.

3. Company has Considered and approved Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 between Arshiya Limited ("Demerged Company") and Arshiya Rail Infrastructure Limited ("Resulting Company") on May 24, 2018.

Upon the Scheme becoming effective, existing shareholding of Arshiya Rail Infrastructure Limited held by Arshiya Limited shall stand cancelled without any payment and Arshiya Rail Infrastructure Limited will issue One (1) Equity Share of the face value of INR 2/- (Rupees Two Only), each fully paid -up, on a proportionate basis to the members holding fully paid-up equity shares in Arshiya Limited as on Record date for every 2 [Two) fully paid-up equity shares of INR 2/- (Rupees Two Only) each of Arshiya Limited.

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

Place **:** Mumbai
Date **:** May 27, 2019

For **Aabid & Co.**
Company Secretaries

Mohammad Aabid
(Partner)
Membership No.: F6579
COP No.: 6625

Annexure-A to the Secretarial Audit Report

To,
The Members,
Arshiya Limited.

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

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

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

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

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

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

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

Place **:** Mumbai
Date **:** May 27, 2019

For **Aabid & Co.**
Company Secretaries

Mohammad Aabid
(Partner)
Membership No.: F6579
COP No.: 6625

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:

Median remuneration of all employees for the financial year 2018-19 ₹ 4,87,944/-

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 2018-19
Mr. Ajay S Mittal	NIL
Mrs. Archana A Mittal	NIL
Mr. Ashishkumar Bairagra	NIL
Mr. Rishabh Shah	NIL
Mr. Mukesh Kacker	NIL
Mr. Tara Sankar Bhattacharya	NIL
Mr. S Maheshwari	8%
Ms. Savita Dalal	20%

c.) The percentage increase in median remuneration of employees in the financial year 2018-19 was 16.40%.

d.) There were 99 permanent employees on roll of the Company as on March 31, 2019.

(During the year some of the employees were transferred to Group Companies across the group.)

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

Average percentage increase in salary of the Company's employees was 8.5%. The total managerial remuneration for the financial year 2018-19 was Nil. Remuneration paid to Key Managerial Persons was ₹ 2,25,05,978/- (Rupees Two Crore Twenty Five Lakhs Five Thousand Nine Hundred Seventy Eight only) as against ₹ 2,03,29,980/- (Rupees Two Crore Three Lakhs Twenty Nine Thousand Nine Hundred Eighty only) during the previous financial year 2017-18.

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'18	Gross remuneration Per Month (₹) - Mar'19	Previous employment and designation
Mr. S Maheshwari	Group President & CFO	BE(MECH), MMS	55	29	15-March-2016	30-Jun-2019	15,75,000	17,32,499	Essar Steel India Ltd. & Senior Vice President

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 : September 04, 2019

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.

   - Expenditure incurred on Research and Development : NIL

(C) Foreign exchange earnings and Outgo:

(Amount ₹ in Lakh)

	F.Y. 2018-19	F.Y. 2017-18
Foreign Exchange earnings	0	3018.46
Foreign Exchange outgo	30.11	32.15

**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 : September 04, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry structure and developments

Global economic growth remained steady at 3.1 per cent in 2018, as a fiscally induced acceleration in the United States of America offset slower growth in some other large economies. Economic activity at the global level is expected to expand at a solid pace of 3 per cent in 2019, but there are increasing signs that growth may have peaked. The growth in global industrial production and merchandise trade volumes has been tapering since the beginning of 2018, especially in trade-intensive capital and intermediate goods sectors. Leading indicators point to some softening in economic momentum in many countries in 2019, amid escalating trade disputes, risks of financial stress and volatility, and an undercurrent of geopolitical tensions. At the same time, several developed economies are facing capacity constraints, which may weigh on growth in the short term.
(Source: https://unctad.org/en/PublicationsLibrary/wesp2019_en.pdf)

The Global Logistic Industry with the advancements in technology which involve automated material handling equipment, biometrics, GPS, etc. aid organisations and businesses to work proficiently, thereby spurring the growth of the logistics market across the globe. The upsurge in internet retailing and the increasing popularity of online shopping are some of the other factors supporting the market growth. Looking forward, the market is projected to reach a value of US$ 6,300 Billion by 2024, registering a CAGR of 4.9% during 2019-2024.

India's gross domestic product (GDP) grew at 6.8 percent in 2018-19, lower than previous year's 7.2 percent, data released by the Central Statistics Office (CSO) showed.

The logistics sector plays a very crucial role in propelling India to become a $5 trillion economy. Some key measures like Ease of Doing Business, simplification of e-way bills, UDAN, Bharatmala, Jal Marg Vikas, etc., will improve the overall logistics sector and also reduce the cost of transportation.
(source: newspaper 'FE')

The Government of India recently released the draft framework of its first ever logistics policy. The primary aim of this policy is to enable integrated development of the logistics sector in India.

Logistics cost in India, as a percentage of GDP, is as high as 13%-14% while its global counterparts stand at 8%-10% of GDP. The primary reason for such high costs is the highly unorganised nature of this industry and the highly skewed multi-modal mix. Approximately, 60% of freight movement in India happens via road which is significantly higher than most developed economies. Globally, the share of rail cargo in the multi-modal mix is higher. 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 Centre has addressed this issue, firstly, by granting infrastructure status to the logistics and warehousing industry, and secondly, it has advocated an independent policy framework for this sector.

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) from 1 April 2018 would result in increased transparency as well as encourage further formalisation 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.

During Union Budget 2019, it was announced that Indian customs plans to fully digitise its transactions and utilise RFID technology to improve export logistics. Thus, along with a few other developments has spelt great news for Indian logistics in recent times.

The growth is driven by emerging e-commerce retailers from Tier II and III markets, a corresponding increase in demand and the entry of more foreign corporates in the FMCG segment, propelled by India's upward movement in Ease of Doing Business Index. Hence, Indian logistics enterprises can now have easier access to funding opportunities to drive technology driven operational transformation.

Strategically located warehouses along with specialised warehouses providing customised storage solutions (temperature/ climate controlled, Bulk Storage, etc.) will continue to flourish as no replacement is seen for them. GPS enabled technology-real time tracking of cargo/ container movement will add value to Logistic Sector.

The future for Indian logistics industry looks even brighter with a CAGR of 13% of next 2 years at 9.2 trillion by FY20. The government is also focusing on bringing the logistics costs down which currently stands at 14.4% of India's GDP which will be eventually brought at levels of 10% in near future.
(Source: CRISIL)

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 has core businesses areas which comprises of Free Trade and Warehousing Zone (FTWZ), Rail & Rail Infrastructure, Industrial and Distribution Hubs, Indian Container Depot (ICD), Domestic Warehousing (DW), 3 Party Logistics (3PL), Supply Chain Technology and Management solutions.

Free Trade Warehousing Zone (FTWZ) business:

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

The 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 that is mainly inbound. The emerging new Infrastructure and the quick access to JNPT will drive in more consumption-based demand in near future. Developers having land in this location are open to develop warehouses for prospective clients.

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. With starting dedicated train service from Mundra and Pipavav to ICD Khurja catering to one of the largest global shipping lines, FTWZ Khurja has become even more easily accessible for importers as well as exporters.

Data Centre:
In FY 18, the Company had outlaid plan to set-up 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 SEZ Park on an area of approximately 25 acres of land. The Company has obtained the requisite approvals to set-up the IT/ ITES SEZ Park from the concerned authorities. The Company planned to built a "Hyperscale Data Centre Park" with a constructible area of approximately 2.5 to 3 million square feet.

Domestic Warehousing business (DW):
DW warehouse at Khurja, along with large land parcel of yard area, was leased to the Indian Tele-communication Major on long term basis. The customer which has been in an unorganised warehousing mode since their inceptions was converted from conventional warehousing to organised warehousing successfully.

Inland Container Depot (ICD):
The ICD facilities of the company situated at Khurja on the confluence of the Western and Eastern Freight Corridors, includes Arshiya's ICD facility. The operations commenced with a port connection from our Khurja facility to Mundra Port and back for movement of cargo one of the renowned Shipping line and further grew the business to another port connection from our Khurja facility to Pipavav Port and back.

Domestic Rail/ PFT business:
Arshiya has a Private Container Train Operator (PCTO) license issued by the Indian Railways and along with its fleet of 18 rakes and 3000 containers, operates on a Pan India level in the Domestic Rail Segment. The domestic high-volume market has been running slow since Sept 2018 in view of the general slowdown in the market and drop in productions.

The Indian Railways under its approval scheme allowing Private Freight Terminal (PFT) on railway land adjacent to stations, Arshiya is the only one of its kind having a 6 lane PFT and Container Rail Terminal (CRT), catering to movement of cargo for other PCTO's and Indian Railways, besides its own. PFT business, which is project oriented, has faced a lot of head winds in the given period. Ongoing DFCC and development of Jewar Airport are expected to bring in large quantity of construction material at our Khurja facility for at-least next three to four years which will add business to PFT.

The Rail/Rail Terminal (PFT/CRT), Inland Container Depot (ICD) and Domestic Warehouses needs consolidation to take advantage of the above opportunities.

(b) Opportunities

Indian industry estimates predict that by 2025, the manufacturing sector is going to contribute nearly 25% of Gross Domestic Product (GDP), 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.

Additionally, 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 e-commerce industry is on a major growth curve and the multi-fold increase in demand from e-commerce players over the last few years and strong drive towards digitalization in the country, greater internet penetration and consumers who are getting increasingly tech savvy are pushing growth in the e-tailing sector.

Amid these exciting changes in the sector, developers and investors are finding new incentives for their short- and long-term investments. India is currently experiencing a significant availability of yield capital, unlike ever before. Major global long-term asset investors such as pension funds and sovereign funds are eager to enter the Indian market and expand their portfolios. Global industrial asset managers, backed by such investors, have become active in the Indian market. Upcoming REITS and global investor interest in setting warehouse platforms will drive lucrative exit opportunities.

Moreover, the setting up of warehouse platforms is also a highly enticing venture for customers with pan-Indian 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.

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

India's EXIM trade performance impacts sectors such as container rail, ICDs, CFSs, freight forwarding and customs handling. The project logistics is affected by headwinds in industries such as power, oil and gas and steel. Investors should be cognizant of such macro-economic drivers and perhaps plan for longer investment horizons, when evaluating such businesses.

Several logistics sub-segments—such as road transportation, freight forwarding, customs handling and CFSs—have multiple players (often thousands of them), operating in the same region or targeting the same sets of customers with me-too offerings. This leads to price wars, margin erosion and cash depletion. Several logistics sub-segments are significantly impacted by regulations.

The cabotage rules and coastal shipping, or unpredictable haulage tariffs and container rail, or the impact of Direct Port Delivery guidelines. For financial investors, with 4-7 years investment horizons, regulatory googlies can decimate returns.
Whereas GST offers an opportunity, the initial transition still presents lack of clarity, especially for the SMEs and smaller businesses who form a significant portion of our clientele. Till the time GST implementation is stabilized we do expect significant volatility in the freight volumes.

Segment wise or product wise performance

(₹ in Lakh)

S. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
1	**FTWZ**		
	Revenue	14,758.88	12,233.47
	EBIDTA	4,448.88	4,678.26
	Add: Lease Rent	4,658.24	739.93
	EBIDTAR	9,107.12	5,418.19
	EBIDTA % on Revenue	30.14%	38.24%
	EBIDTAR % on Revenue	61.71%	44.29%
2	**Rail Transport Operations/ICD**		
	Revenue	13,750.16	13,653.22
	EBIDTA	440.91	733.03
	EBIDTA % on Revenue	3.21%	5.37%
3	**Domestic Warehousing**		
	Revenue	428.34	20.00
	EBIDTA	-15.60	20.00
	EBIDTA % on Revenue	-3.64%	100.00%

(d) OUTLOOK:

The current government's focus on boosting the infrastructure of the country has acted as a catalyst for investment in warehousing. The development of airports, shift of the manufacturing base to these cities, growth in demand for consumption and industrial use, and development of the road network are factors that provide huge potential for growth of warehousing. The Indian government has implemented investor friendly policies. The government's main thrust on improving road infrastructure and aiding or setting up of multimodal logistics parks is a key encouragement driver for industry aspirants and existing players.

Another positive move of the government, development of industrial corridors network and freight corridors has created demand for warehousing.

Within the logistics segment, Third-Party Logistics (3PL), a service that allows a business to outsource operational logistics from warehousing to delivery, is expected to grow the fastest. Third Party Logistics (3PL) is one of the fastest growing segments in the Indian supply chain market. The 3PL market is divided between traditional 3PL players and new-age, e-commerce centric 3PL players.

There is increasing demand for grade-A warehousing space because of the operational conveniences and cost benefits. The current incremental capacity addition is mainly through larger-sized warehousing parks, backed by capital from foreign institutional investors and collaboration on best practices with global warehousing operators.

Riding on structured reforms, technological advancements and higher efficiencies, the logistics and warehousing sector is estimated to grow at a 9.5 per cent CAGR and estimated to attract nearly $10 billion investments over the next 4-5 years.

(e) RISKS AND CONCERNS (ELEMENTS OF RISK, ITS IMPACT AND REQUISITE MITIGATION):

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

a. The Company operates in a regulated environment with plethora of laws and regulations applicable to it. In case the

Company, does not obtain the required approvals and licenses in timely manner, the business and operations may be adversely affected. The Company has well established structure, policies, and procedures to assist in the compliance with law and regulations.

b. The Company's business is affected by the rise and fall in the levels of imports and exports 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 good in coming year and hence, the Company believes it has adequate mitigation in place.

c. 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.

(f) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

Standalone financial – Significant Performance overview:

On 3rd February 2018, the SPV of Ascendas Property Fund (India) Pte. Limited has acquired long-term leasehold rights from the Company and the same are leased back under an operating lease arrangement pursuant to execution of sub-lease deed dated 3rd February 2018 to Arshiya Lifestyle Limited ("ALL"), a wholly owned subsidiary of the Company, for a sub-lease term of 6 (six) years, renewable as per mutually agreed terms, in consideration of pre-agreed rentals.

Hence current year's figure are not comparable with previous year's figure.

1. Revenue increased by 54% in current year. Under the developer model, the Company's source of income are Conditional lease rent, long term lease of land, business conducting fees and domestic warehousing business while in corresponding previous year main source of income from warehousing business.

2. Under developer model, certain portion of land which was classified under Property, Plant and Equipment (PPE) is now transferred to inventories at their carrying amounts for future developments. The Company recognized cost of land given on long term lease through inventories.

3. After long term leasehold rights, the Company has reduced the value of assets, granted on leasehold rights to Ascendas Panvel FTWZ Limited from its fixed assets during the corresponding previous year. Accordingly, Material handling and other charges and depreciation are decreased in current year.

Consolidated financial - Significant Performance overview:

1. On date of 3rd February 2018, the SPV of Ascendas Property Fund (India) Pte. Limited has acquired long-term leasehold rights from the Company and the same are leased back under an operating lease arrangement pursuant to execution of sub-lease deed dated 3rd February 2018 to Arshiya Lifestyle Limited ("ALL"), a wholly owned subsidiary of the Company, for a sub-lease term of 6 (six) years, renewable as per mutually agreed terms, in consideration of pre-agreed rentals. Accordingly, warehousing storage charges (lease rent) is higher than corresponding previous year.

2. Other Operating expenses increased to ₹756.02 Lakh as against ₹ 374.90 Lakh for the corresponding previous period due to higher operating cost in the rail business.

3. Finance cost also decreased by 12.78% in current year in comparison of corresponding in previous year due to restructure of loan/ one- time settlement of debts with the lenders.

(h) 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.

The Company has identified the following ratios a key financial results:

S. No.	Particulars	Standalone			Consolidated		
		Mar-19	Mar-18	Variation	Mar-19	Mar-18	Variation
1	Debtors Turnover Ratio (Days)	21.93	20.99	4.50%	44.20	36.01	22.74%
2	Inventories Turnover Ratio	0.31	NA	NA	NA	NA	NA
3	Interest Coverage Ratio	0.78	0.33	*136.84%	(0.17)	(0.15)	8.51%
4	Current Ratio	1.31	1.14	15.31%	0.29	0.22	**32.24%
5	Debt Equity Ratio	0.57	0.59	-4.43%	4.34	3.12	@ 39.25%
6	Net Debt/EBIDTA	9.82	15.16	# -35.24%	45.82	41.03	11.68%
7	Operating Profit Margin	58.68%	63.60%	-7.73%	8.99%	14.53%	##-38.12%
8	Net Profit Margin	-26.76%	45.61%	$-158.68%	-92.44%	12.09%	$$ -864.78%
9	Return on Net worth	-2.05%	2.36%	^-186.79%	-49.57%	4.31%	^ -1250.01%

Note:

*Due to repayment of certain loans out of proceed from monetization of assets, overall interest coverage ratio improved in current year in comparison to previous year.

** due to change in business model, certain portion of land transfer to inventory, hence overall Current ratio improved is better from previous year.

@ Debt equity ratio decreased due to change in classification of liabilities from long term to short term on account of non-payment of dues in current year.

Due to repayment of certain loans out of proceed from monetization of assets and further change in business model overall Net debt/EBIDTA ratio has improved in comparison to previous year.

Operating Profit margin decreased in current year in comparison to previous year due to higher operating cost in rail business.

$ Net profit margin is decreased due to loss on settlement of claims, while previous year, there were gain recognized monetization of assets.

$$ Net profit margin is decreased due to lower gain on account of exceptional items as comparison to previous year where gain was recognized on account of monetization of assets, settlement with creditors etc.

^During the year ended 31st March, 2018, there were gain recognized on account of settlement of debts and monetization of assets. Hence there was positive impact in previous year in comparison of current year.

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

The Directors have apprised about the material developments in human resources in the Director's Report. Further, the Company had employed 99 employees during the year under review.

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.

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.*

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

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

Place **:** Mumbai
Dated **:** September 04, 2019

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY & FRAMEWORK ON CORPORATE GOVERNANCE

Your Company's Corporate Governance philosophy is based on transparency, accountability, values and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving excellence, growth and value creation. Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders.

The Corporate Governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances.

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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. THE BOARD OF DIRECTORS

A. Composition of the Board:

The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. As at March 31, 2019, the Board consist of Six Members with Promoter Director as Chairman and Managing Director, One Woman Director, and Four Non-Executive Independent Directors. The composition of our Board is in conformity with the requirements of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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	NIL	-
Mr. Mukesh Kacker	Capri Global Capital Limited	Non-Executive - Independent Director
Mr. T. S. Bhattacharya	Jindal Stainless Limited 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

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 or 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 the gap between any two Board meetings was not more than one hundred and twenty days. During the year under review, the meetings of the Board were held on April 20, 2018; May 24, 2018; August 14, 2018, August 24, 2018; November 03, 2018; November 16, 2018 and February 05, 2019.

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 March 31, 2019. The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other companies are given herein below. Other Directorships do not include directorships in Private Limited Companies, Section 8 Companies and Companies incorporated outside India. Chairmanships of Board Committees include only Audit and Share Transfer and Investor Relations Committee.

Necessary Quorum was present for all the meeting:

Sr. No.	Name of the Directors	DIN	Category*	Number of Board meetings held during the Year 2018 - 2019 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 September 18, 2018
				Held	Attended		Chairman	Member	
1	Mr. Ajay S Mittal	00226355	PD	07	06	07	00	06	Yes
2	Mrs. Archana A Mittal	00703208	WPD	07	06	03	00	00	No
3	Mr. Ashishkumar Bairagra	00049591	NEID	07	07	07	03	02	Yes
4	Mr. Rishabh Shah	00694160	NEID	07	02	03	02	03	No
5	Mr. Mukesh Kacker	01569098	NEID	07	03	03	00	01	No
6	Mr. Tara Sankar Bhattacharya	00157305	NEID	07	04	05	00	01	Yes

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

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

E. 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. No Independent Director resigned during the financial year 2018-19.

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

F. 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 May 24, 2018 without the attendance of Non-Independent Directors and Member of Management. Mr. Ashishkumar Bairagra; Mr. Tara Sankar Bhattacharya and Mr. Mukesh Kacker, were present at the meeting of Independent Director, however leave of absence granted to Mr. Rishabh Shah.

G. Training of Independent Directors:

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

H. 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.

I. Materially significant related party transactions:

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

3. COMMITTEES OF THE BOARD

The Board currently has the following committees:

A. Audit Committee;
B. Nomination and Remuneration Committee;
C. Stakeholders Relationship Committee;
D. Committee of Directors; and
E. Corporate Social Responsibility Committee.

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

A. AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The 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 recommendations to the Board to take up steps in this matter.	
7	Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.	
8	Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.	
9	Discussion with internal auditors on any significant findings and follow up thereon.	
10	Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.	
11	Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.	
12	To look into the reasons for substantial defaults if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.	
13	To review the functioning of the Whistle Blower mechanism, in case the same is existing.	
14	Carrying out any other function as is assigned to the Audit Committee.	
15	Such other powers and duties as may be required to be included in terms of Listing Agreement amended from time to time.	

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

During the year, the Audit Committee met Four times on May 24, 2018; August 13, 2018; November 02, 2018; February 05, 2019. The composition of the Audit Committee as at March 31, 2019 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
4.	Mr. Tara Sankar Bhattacharya - Member	Non-Executive Independent Director	4	2

The Chairman of the Audit Committee was present at the previous Annual General Meeting held on September 18, 2018.

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/assets/pdf/nomination-and-remuneration-policy20160407103702.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.

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

During the year, the Nomination and Remuneration Committee met once on May 24, 2018. The composition of the Committee as at March 31, 2019 and details of the attendance of the members of the committee at the meetings of the Committee are as under:

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

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 March 31, 2019 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*	**-**	**-**	**-**

Note: The Company did not pay any managerial remuneration during the financial year ended March 31, 2019.

Details of Sitting Fees to Non-executive Independent Directors for the year ended March 31, 2019 are given below:

Sr. No.	Name of Directors	Sitting Fees paid (₹)	No. of shares held (Face Value ₹ 2/- each)
1.	Mr. Ashishkumar Bairagra	1,15,000	Nil
2.	Mr. Rishabh Shah	40,000	7,955
3.	Mr. Mukesh Kacker	40,000	9,360
4.	Mr. Tara Sankar Bhattacharya*	70,000	Nil

* Appointed w.e.f. 24 May, 2018.

C. 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 Stakeholders relationship Committee.

a.) Terms of Reference of the Committee:

The terms of reference of the Stakeholders Relationship Committee (SRC) 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 SRC, 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	Oversee the functions of the Registrar and Share Transfer Agent.

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

Our Share Transfer, Investor Grievances and Stakeholders Relationship Committee comprises of two independent directors and one Promoter Executive Director as on March 31, 2019.

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 May 24, 2018; August 13, 2018; November 03, 2018 and February 05, 2019.

Details of meetings attended by its members till March 31, 2019 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	2
2	Mr. Ashishkumar Bairagra - Member	Non-Executive Independent Director	4	4
3	Mr. Ajay S Mittal– Member	Promoter Director	4	4

c.) SEBI Complaints Redressal System (SCORES):

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

d.) Status of Investors Complaints:

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

e.) Dematerialization of Shares and liquidity:

The Company's shares are traded in the electronic forum. We have established connectivity with both the depositories in India – National Securities Depositories Limited and Central Depository Services Limited in India (NSDL & CDSL). The International Securities Identification Number (ISIN) allotted to Company is INE968D01022. The shareholding in dematerialized mode as on March 31, 2019 was 99.79% (99.77% as of March 31, 2018).

f.) Designated Correspondence for Investor Services:

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

D. COMMITTEE OF DIRECTORS

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

a.) 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 March 31, 2019. During the year Committee of Directors met three times on December 26, 2018, January 14, 2019 & January 28, 2019.

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

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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:

Our CSR Committee is comprised of an independent director as chairperson and two Promoter executive directors as members as on March 31, 2019:

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

The Committee did not convened any meeting during the year.

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

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

4. 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/assets/pdf/policy-on-material-subsidiaries20160407103840.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
2018-2019	AGM – September 18, 2018 at 03:00 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai – 400 018
2017-2018	EGM- January 29, 2018 at 03:00 p.m. AGM – September, 26 2017 at 03:00 p.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai – 400 018
2016-17	EGM- April 29, 2017 at 3:00 p.m. AGM – July 29, 2016 at 10.30 a.m.	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai – 400 018
	Postal Ballot- November 07, 2016	N.A.

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

Meetings held on	Special Resolution passed
AGM – 18th September, 2018	NIL
EGM-29th January, 2018	-Increase in the authorized share capital of the company. -Issue of equity shares and optionally convertible redeemable preference shares (OCRPS) on preferential basis.
AGM – 26th September, 2017	-Ratification of Remuneration to Cost Auditor. -Ratification of disclosure in respect of Special Resolution passed in the Extra-Ordinary General Meeting of the members of the company held on 29th April, 2017.
EGM – 29th April, 2017	-Increase in and reclassification of the authorised share capital of the company. -Alteration of articles of association. -Issue of equity shares, optionally convertible redeemable preference shares, warrants on preferential basis.
AGM – July 29, 2016	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 uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre 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 Lakshadweep/ Navshakti Newspaper (Marathi).

Shareholding Pattern and the Corporate Governance Report:

The quarterly Shareholding Pattern and the Corporate Governance Report of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre. The Shareholding Pattern is 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., grv. redressal@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 2018-19 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 were in conflict 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/assets/pdf/related-party-transaction-policy20160407103809.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/assets/pdf/vigil-mechanism-whistle-blower-policy20160407104143.pdf

Disclosure of Accounting Treatment

The Company has followed the Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2006 in the preparation of its financial statements.

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/assets/pdf/risk-management-policy20160407103904.pdf

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/assets/pdf/insider-trading-code20160407090651.pdf

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

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

Code of Conduct:

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

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

CEO and CFO Certification:

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 March 31, 2019 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 his re-appointment. The brief profile of Mrs. Archana A Mittal is attached in the Notice of this AGM.

Further, Section 149 of the Companies Act, 2013 states that no independent director shall be eligible to serve on the Board for more than two consecutive terms of five years. Further, it states that the provisions of retirement by rotation as defined in sub-section (6) and (7) of Section 152 of the Companies Act, 2013 shall not apply to such independent directors.

The Independent Directors of the Company viz. Mr. Ashishkumar Bairagra and Mr. Rishabh Shah and Mr. Mukesh Kacker were appointed as Independent Directors of the Company at the Annual General Meeting of the Company held on September 10, 2014 to hold office for a term of 5 (five) consecutive years up to September 09, 2019, in line with the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 ('Act') including the rules made thereunder and the erstwhile Listing Agreement.

It is proposed that Mr. Ashishkumar Biragra and Mr. Rishabh Shah Independent Directors be reappointed for a second term of 5 (five) consecutive years to hold office from September 10, 2019 to September 09, 2024.

Accordingly, necessary resolutions are being placed for approval of the members at the 38th Annual General Meeting of the Company.

Certificate by Practicing Company Secretary

The Company has received certificate from Mr. Mohammad 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**.

Unclaimed Dividends:

The shareholders who have not encashed their dividend warrants for the years 2011-12 onwards are requested to claim the amount from Big Share Services Private Ltd. or from the Company. As per Section 124 of the Companies Act, 2013 (corresponding to Section 205 of Companies Act, 1956), any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called the Investor Education and Protection Fund' set up by the Central Government. No claims shall lie against the fund or the Company in respect of the amount so transferred. Further, the Ministry of Corporate Affairs (MCA) vide its Notification dated 10th May, 2012 prescribed the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 which mandates all the companies to file the particulars of all the unclaimed and unpaid amounts through e-Form 5 INV on the web portal of MCA http://www.iepf.gov.in/IEPF/services.html and subsequently also upload the data on the website of the Company. The details of unclaimed dividends for the financial years 2007-08 to 2011-2012 have been uploaded on the Company's website http://www.arshiyalimited.com/assets/pdf/unpaid-dividend-statement.pdf. The Company had not paid any dividend post 2012.

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 agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and the total number of shares in physical form.

Green initiative in the corporate governance:

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

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):

Date of Allotment	Allottees	* No of OCRPS	No of Warrants	No of Equity Shares	Amount Involved	No of warrants and OCRPS pending for conversion
20.04.2018	Mr. Ajay S Mittal	-	15,00,000	15,00,000	8,75,25,000	Nil
24.08.2018	EARC (on behalf of various Trusts)	57,64,619	-	1,38,97,516	576,46,17,370	Nil

* Optionally Convertible Redeemable Preferences Shares (OCRPS)

8. GENERAL SHAREHOLDER INFORMATION

A) General Information:

Date and Time of 38th AGM	September 30, 2019 at 03.00 P.M.
Venue of 38th AGM	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai- 400 018
Dates of Book Closure	September 23, 2019 to September 30, 2019
Financial Year	2018-19
Registered Office address	302, Level 3, Ceejay House, Shiv Sagar Estate, F Block, Dr. Annie Besant Road, Worli, Mumbai–400018.
Compliance Officer	Ms. Savita Dalal, Company Secretary & Compliance Officer
Website address	www.arshiyalimited.com

B) Tentative Financial Calendar:

First Quarter Results	On or before August 14, 2019
Half Yearly Results	On or before November 14, 2019
Third Quarter Results	On or before February 14, 2020
Audited Results for the year 2019-2020	On or before May 30, 2020
Annual General Meeting for the year ending March 31, 2020	On or before September 30, 2020

C) Listing on Stock Exchanges and Stock Code :

BSE Ltd. Phiroze Jeejeebhoy Towers	National Stock Exchange of India Ltd.,
Dalal Street	Exchange Plaza, C-1, Block G,
Mumbai- 400001	Bandra Kurla Complex, Bandra (E) Mumbai – 400 051
Phones : (022) 22721233/4, 91-22-66545695	Tel No: (022) 26598100 - 8114
Fax : (022) 22721919	Fax No: (022) 26598120
Stock Code: 506074	Stock Code: ARSHIYA
The Company has paid Listing Fees for the financial year 2019 - 20 to each of the Stock Exchanges, where the equity shares of the Company are listed.	

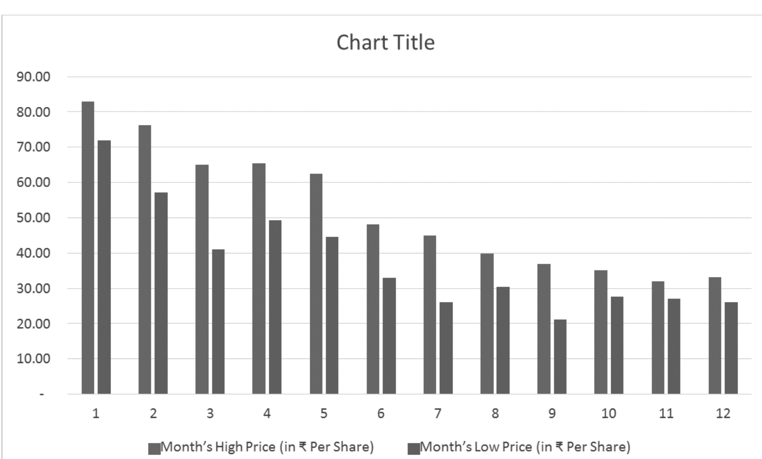
D) Demat ISIN Number for CDSL and NSDL : INE968D01022

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-2018	83	72	31201843	35213.3	32972.56
May-2018	76.25	57.15	30457865	35993.53	34302.89
June-2018	64.95	41.05	12652334	35877.41	34784.68
July-2018	65.5	49.35	22217188	37644.59	35106.57
August-2018	62.5	44.5	7886119	38989.65	37128.99
September-2018	48.2	33.05	53054048	38934.35	35985.63
October-2018	45	26.1	99853348	36616.64	33291.58
November-2018	39.85	30.35	26465007	36389.22	34303.38
December-2018	36.95	21.25	1.52E+08	36554.99	34426.29
January-2019	35.1	27.7	30204539	36701.03	35375.51
February-2019	31.9	27	8239100	37172.18	35287.16
March-2019	33.1	26	13236700	38748.54	35926.94

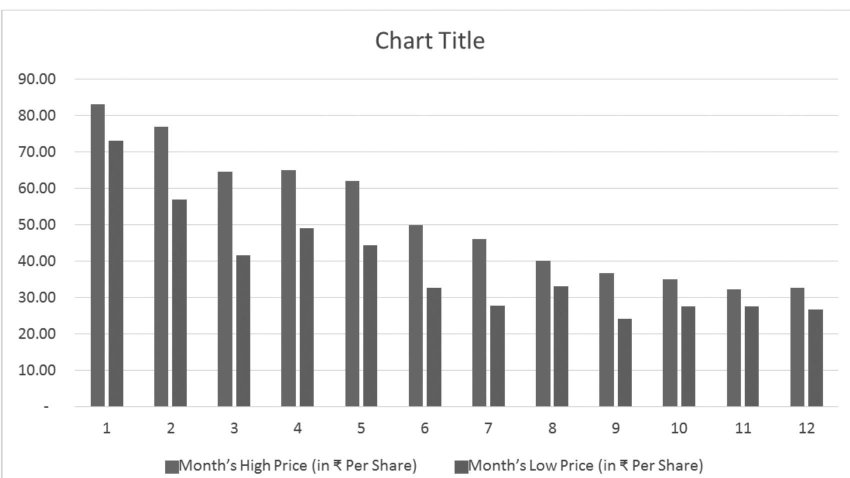
*Source: www.bseindia.com



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-2018	83.00	73.00	16,34,408	10,759.00	10,111.30
May-2018	76.75	56.75	30,47,664	10,929.20	10,417.80
June-2018	64.50	41.50	14,57,359	10,893.25	10,557.70
July-2018	65.00	49.05	13,74,997	11,366.00	10,604.65
August-2018	62.00	44.30	8,53,338	11,760.20	11,234.95
September-2018	49.80	32.55	21,83,975	11,751.80	10,850.30
October-2018	46.00	27.65	59,49,438	11,035.65	1,004.35
November-2018	40.00	32.95	13,14,434	10,922.45	10,341.90
December-2018	36.70	24.00	93,43,765	10,985.15	10,333.85
January-2019	34.85	27.50	32,51,007	10,987.45	10,583.65
February-2019	32.25	27.40	10,15,157	11,118.10	10,585.65
March-2019	32.50	26.55	12,46,354	11,630.35	10,817.00

#Source: www.nseindia.com



F) Registrar & Share Transfer Agent:

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

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/ Transmission 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 of Regulation 40 (9) of Listing Regulations and the same is filed with the Stock Exchanges and available in the website of the Company. In terms of requirements to amendments to Regulation 40 of Listing Regulations w.e.f March 31, 2019, 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 Limited (CDSL) within 15 days.

H) Category wise distribution of equity shareholding as at March 31, 2019:

Category	No. of Shares Held	% age of Shareholding
Promoter and Promoter Group	12,71,21,225	52.18
Mutual Fund	25,000	0.01
Foreign Portfolio Investors	13,22,988	0.54
Bodies Corporate	8,28,72,892	34.02
NBFCs registered with RBI	1,53,574	0.06
Financial Institution/Banks	26,01,000	1.07
Clearing Member	2,91,149	0.12
Director/relative	32,700	0.01
Employee	15,401	0.01
NRI	14,22,848	0.58
Foreign National	3,00,000	0.13
Overseas Corporate Bodies	22,67,120	0.93
Public	2,51,88,395	10.34
GRAND TOTAL	**24,36,14,292**	**100.00**

I) Distribution of shareholding as on March 31, 2019:

Number of Equity shares held	Total Holders	% of total holders	Total Holding in number of equity shares	% of Total Capital
01 - 500	7,563	74.51	58,97,206	0.44
501 - 1000	951	9.37	22,62,936	0.32
1001 - 2000	659	6.49	27,96,656	0.41
2001 - 3000	249	2.45	16,56,608	0.26
3001 - 4000	125	1.23	9,23,358	0.19
4001 - 5000	102	1.00	8,04,996	0.20
5001 - 10000	187	1.84	41,19,650	0.58
10001 & Above	315	3.10	43,79,72,142	97.61
Total	**10,151**	**100**	**24,36,14,292**	**100**

J) Dematerialization of shares and liquidity:

Approximately 99.79% of the total number of shares are in dematerialized form as on March 31, 2019. 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:

There is no any outstanding ADRs, GDRs, warrants or any convertible instruments, conversion date and impact on equity as at March 31, 2019.

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

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

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

Email: grv.redressal@arshiyalimited.com

Annexure- A

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

We, Ajay S Mittal, Chairman & Managing Director and S. Maheshwari, Group President & 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) significant changes in internal control over financial reporting during the year;

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

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

For ARSHIYA LIMITED

Ajay S Mittal	**S. Maheshwari**
Chairman & Managing Director	**Group President & Chief Financial Officer**

Date : May 27, 2019
Place : Mumbai

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 March 31, 2019 as per Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

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

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

We state that in respect of investor grievances received during the year ended March 31, 2019, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Committee.

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

For Aabid & Co.,
Practicing Company Secretary

Mohammad Aabid
Partner
C. P. No. 6625

Date : May 27, 2019
Place : Mumbai

Annexure- C

CERTIFICATE FROM PRACTICING COMPANY SECRETARY

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by Arshiya Limited, having its Registered office at 302, Ceejay House, Level 3, Shiv Sagar Estate-Block, Dr. Annie Besant Road, Worli, Mumbai - 400 018, Maharashtra and also the information provided by the Company, its officers, agents and authorized representatives, we hereby report that during the Financial Year ended on March 31, 2019, in our opinion, none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

For Aabid & Co.,
Practicing Company Secretary

Mohammad Aabid
Partner
C. P. No. 6625

Date : May 27, 2019
Place : Mumbai

INDEPENDENT AUDITORS' REPORT

To the Members of
Arshiya Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Arshiya Limited ('the Company')**, which comprise the Balance Sheet as at 31st March 2019, 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, 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 2019, 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 Opinion

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.

Emphasis of Matters

1. We draw attention to the note no. 47 of 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.

2. We draw attention to note no. 66 of the financial statements regarding the balance confirmations of borrowings, trade receivables, capital advances and trade payables. During the course of preparation of standalone financial statements, e-mails/letters have been sent to various parties by the company with a request to confirm their balances directly to us out of which only few parties have responded, accordingly, the possible adjustment, if any, required in the financial statements is presently not determinable.

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

Key Audit Matters

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 period. 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 matter described in the Emphasis of matters, 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.	**Impairment of Investments and receivables from Arshiya Industrial & Distribution Hub Limited, (AIDHL) Arshiya Northern FTWZ Limited (ANFTWZ) and Arshiya Rail Infrastructure Limited (ARAIL)**	
	Management regularly reviews whether there are any indicators of impairment on the investments made by the Company and advances by reference to the requirements under Ind AS 36 "Impairment of Assets". Accordingly, management has identified impairment indicators (operating losses, negative net-worth) in AIDHL, ANFTWZ & ARAIL, wholly owned subsidiaries of the Company with an investment and advances aggregating to Rs 1,56,510.60 Lakh. Investment and receivables amounts to 57.01% of the total assets of the Company. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these investments and advances to their recoverable amount to determine whether impairment was required to be recognised. (Refer Note 54.1) For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows e.g. expectation of cash flows, assumption used in valuation. The determination of the recoverable amount of the investments and receivable involved judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments and receivables. Accordingly, the evaluation of impairment of investments in AIDHL, ANFTWZ and ARAIL was determined to be a key audit matter. (Refer note no. 54.1)	Our audit procedures included the following: • Obtained the impairment model from the management and tested the arithmetical accuracy of the same. • Reviewed the valuation report obtained by the Company from registered valuers. • Assessed the appropriateness of the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we also evaluated the objectivity, independence and competency of specialists involved in the process. • Assessed the assumptions around the key drivers of the cash flow forecasts. • Discussed/evaluated potential changes in key drivers with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. • Assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • Verification that the accounting and /or disclosures as the case may be in the standalone financial statements is in accordance with the assessment management. • Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.
2.	**Litigations matters and contingent liabilities**	
	The Company and it's subsidiaries are subject to number of significant litigations. These subsidiaries are Arshiya Northern FTWZ Limited, Arshiya Rail Infrastructure Limited and Arshiya Industrial & Distribution Hub 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 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. Further, risks identified by the Company in that area relates to Income tax demand, claims against the company not acknowledged as debts. 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.37.1 (i to v) and 43]. 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, 2019. • 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.

Sr. No.	Key Audit Matters	How Our Audit Addressed The Key Audit matter
3.	**Classification of land from property, plant and equipment to inventory**	
	The Company is engaged in the business of development, operations and maintenance of free trade and warehouse zone and domestic warehouse zone and value added services. It owns SEZ notified land parcels at Sai Village, Panvel. Vacant land is available for future development. During the year, the company has identified 45.52 Acres land for warehousing development in future, where upon the company can develop / lease on the said land area which can be leased / sub-leased to its co-developer. The cost of said land amounting to ₹19089.31 Lakh is classified from property, plant and equipment to land under inventory. After classification to inventory, the Company have executed lease agreement with 100% subsidiary company and transferred this land for 30 years. Accordingly, consideration for transfer of such land is disclosed under revenue from operations (Note no. 28) and it's cost (Note no. 30) has been disclosed in the profit of loss account and remaining cost of land is disclosed in Note No. 11 as inventory. Considering the nature of business and its classification of land from property plant and equipment to inventory and transfer of certain portion of land is significant considering the size of profit and loss account, hence the during the year, it is considered as Key Audit Matter. (Refer note no. 44)	Our audit procedures included following:- • Discussion with the management and obtaining an understanding of the same. • Read the minutes of meeting of audit committee and Board of Directors wherein it's classification from property, plant and equipment to inventory is approved. • Verification that the accounting and /or disclosure 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.

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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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 system 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 current period 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. 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. In our opinion, the aforesaid standalone 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, 2019 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B";**

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act;

   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.

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

   i. The Company, as detailed in Note no. 37.1 (i to v) and 43 to the standalone 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

Place: Mumbai
Date: 27/05/2019

"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 2019)

(i) In respect of fixed assets:-

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
(b) As explained to us, the Company has physically verified fixed assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.
(c) In our opinion and according to information and explanation given to us and on the basis of our examination of available records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is engaged in the business and development of Free Trade and Warehousing Zone (FTWZ) and Domestic Warehousing and during the current year the company has accounted for 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.

(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, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. During the year, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

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

(vii) (a) According to the records of the company and information and explanations given to us, the Company has generally been regular except slight delays in few cases, in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, 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, 2019 for a period of more than six months from the date they became payable except Tax deducted at Source amounting to ₹ 494.30 Lakh and interest on tax deducted at source amounting to ₹ 605.25 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	14,293.30	Assessment year 2009-2010 to 2016-2017	commissioner of income tax
Service Tax Act, 1994	Service Tax	62.68	Financial Year 2013-2014	Customs, Central Excise and Service Tax Appellate Tribunal
	Total	**14,355.98**		

(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, 2019**		**Period of Default**
	Principal	**Interest**	
Edelweiss Asset Reconstruction Company Limited – various trust	5,671.09	1,065.91	Financial year 2017-2018
		3,774.68	Financial year 2018-2019
Edelweiss Asset Reconstruction Company Limited-SC 162	670.00	-	Financial year 2018-2019
Edelweiss Asset Reconstruction Company Limited(Short term priority loan)	8,474.04	1,753.65	Financial year 2018-2019
Axis Bank	1,472.84	178.98	Financial year 2017-2018 and 2018-2019
SREI Equipment finance Ltd.	-	0.30	Financial year 2018-2019
IDFC FIRST Bank Ltd.	-	92.93	Financial year 2018-2019
Tata Capital Financial Services Limited	2,000.00	-	Financial year 2018-2019
Total	**18,287.97**	**6,866.45**	

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

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

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

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

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

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

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

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

For Chaturvedi & Shah LLP
Chartered Accountants
Registration No. 101720W/ W100355

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: 27/05 /2019

"Annexure B" to the Independent Auditor's Report

Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Limited on the standalone financial statements for the year ended 31st March 2019.

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

We have audited the internal financial controls over financial reporting of Arshiya Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on the audit of test of controls, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chaturvedi & Shah LLP
Chartered Accountants
Registration No. 101720W/ W100355

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: 27/05/2019

Balance Sheet as at 31st March, 2019

(₹ in Lakh)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5	73,858.36	94,138.63
(b) Capital Work-in-Progress		76.02	-
(c) Intangible Assets	6	845.86	1,235.96
(d) Intangible Assets Under Development		60.00	-
(e) Financial Assets			
(i) Investments	7	1,34,680.02	1,32,018.03
(ii) Loans	8	1,732.14	1,731.47
(iii) Trade Receivables	9	6,061.50	-
(f) Other Non-Current Assets	10	3,320.34	2,273.81
		2,20,634.24	**2,31,397.90**
Current assets			
(a) Inventories	11	16,505.97	-
(b) Financial Assets			
(i) Trade Receivables	12	814.64	764.60
(ii) Cash and Cash Equivalents	13	5.86	135.69
(iii) Bank Balances Other than (ii) above	14	15.17	0.04
(iv) Loans	15	30,327.14	33,279.99
(v) Other Financial Assets	16	4,082.95	1,848.71
(c) Other Current Assets	17	2,134.00	2,319.64
		53,885.73	**38,348.67**
Total Assets		**2,74,519.97**	**2,69,746.57**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	18	4,872.29	4,564.34
(b) Other Equity	19	1,66,643.28	1,60,350.30
		1,71,515.57	**1,64,914.64**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	60,267.20	68,839.87
(ii) Other Financial Liabilities	21	1,612.72	2,191.60
(b) Provisions	22	118.93	151.02
		61,998.85	**71,182.49**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	9,261.16	10,488.81
(ii) Trade Payables	24		
Micro and Small Enterprises		37.88	0.89
Others		584.91	581.66
(iii) Other Financial Liabilities	25	29,679.14	21,506.03
(b) Other Current Liabilities	26	1,434.11	1,062.48
(c) Provisions	27	8.35	9.57
		41,005.55	**33,649.44**
Total Equity and Liabilities		**2,74,519.97**	**2,69,746.57**

Notes to the financial statements 1 to 67

As per our report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

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

Vijay Napawaliya
Partner
Membership Number: 109859

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2019

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP: Accounts & Finance

Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in Lakh)

Particulars	Notes	Year Ended 31st March, 2019	Year Ended 31st March, 2018
INCOME			
Revenue from operations	28	13,139.98	8,542.02
Other income	29	2,192.48	1,020.09
Total Income (I)		**15,332.46**	**9,562.11**
EXPENSES			
Cost of Inventories (Lease Land)	30	2,583.34	-
Material handling and other charges	31	87.63	320.61
Employee benefits expenses	32	1,720.28	1,456.61
Finance costs	33	11,236.53	13,761.94
Depreciation and amortization expenses	34	1,482.22	2,091.67
Other expenses	35	1,038.20	1,332.46
Total Expenses (II)		**18,148.20**	**18,963.29**
Profit/(loss) before exceptional items and tax (I-II)		**(2,815.74)**	**(9,401.18)**
Exceptional Items (net)	36	700.75	(13,296.84)
Profit/(loss) before tax		**(3,516.49)**	**3,895.66**
Tax expense:	**59**		
Current tax		-	-
Deferred tax		-	-
Profit/(loss) for the year		**(3,516.49)**	**3,895.66**
OTHER COMPREHENSIVE INCOME			
Item not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains/(losses) on defined benefit plans		8.11	(2.69)
Other Comprehensive income/(loss) for the year		**8.11**	**(2.69)**
Total Comprehensive (Loss)/Income for the year		**(3,508.38)**	**3,892.97**
Earning per share (face value of ₹ 2 each)	58		
Basic and Diluted		(1.48)	2.13

Notes to the financial statements 1 to 67

As per our report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

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

Vijay Napawaliya
Partner
Membership Number: 109859

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2019

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP: Accounts & Finance

Statement of changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital (Refer Note No. 18)

Particulars	**₹ in Lakh**
Equity Shares of ₹ 2 each issued, subscribed and paid up	
As at 31st March, 2017	3,123.59
Issue of Equity Shares	1,440.75
As at 31st March, 2018	**4,564.34**
Issue of Equity Shares	307.95
As at 31st March, 2019	**4,872.29**

B. Other Equity (Refer Note No. 19) **(₹ in Lakh)**

Particulars	**Other Reserves**				**Reserve and Surplus**			**Total**
	Share application money pending allotment	**Money received against share warrants**	**Equity Component of 0% Optionally Convertible Preference shares (OCRPS)**	**Amalgamation Reserve**	**Securities Premium Account**	**General Reserve**	**Retained Earnings**	
Balances as on 31st March, 2017	**18,766.71**	**-**	**88,620.84**	**124.80**	**79,617.43**	**940.18**	**(68,332.91)**	**1,19,737.05**
Profit/(loss) for the year	-	-	-	-	-	-	3,895.66	3,895.66
Other comprehensive income	-	-	-	-	-	-	(2.69)	(2.69)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**3,892.97**	**3,892.97**
On issue of equity shares	(18,766.71)	-	(41,068.97)	-	95,278.86	-	-	35,443.18
Money received against share warrants	-	860.25	-	-	-	-	-	860.25
Transaction costs on issue of equity shares	-	-	-	-	(37.62)	-	-	(37.62)
Fair value of financial liabilities	-	-	-	-	-	-	64.05	64.05
Conditional lease rent	-	-	-	-	-	-	390.41	390.41
Balances as at 31st March, 2018	**-**	**860.25**	**47,551.87**	**124.80**	**1,74,858.67**	**940.18**	**(63,985.48)**	**1,60,350.30**
Profit/(loss) for the year	-	-	-	-	-	-	(3,516.49)	(3,516.49)
Other comprehensive income	-	-	-	-	-	-	8.11	8.11
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(3,508.38)**	**(3,508.38)**
Money received against share warrants	-	15.00	-	-	-	-	-	15.00
On issue of equity shares	-	(875.25)	(47,551.87)	-	58,213.49	-	-	9,786.37
Balances as at 31st March, 2019	**-**	**-**	**-**	**124.80**	**2,33,072.16**	**940.18**	**(67,493.86)**	**1,66,643.28**

Notes to the financial statements 1 to 67

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: 27th May, 2019

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP: Accounts & Finance

Cash Flow Statement for the year ended 31st March, 2019

(₹ in Lakh)

Particulars		Year Ended 31st March, 2019	Year Ended 31st March, 2018
Cash flow from operating activities			
Profit/(Loss) before tax		**(3,516.49)**	**3,895.66**
Adjustments for			
Sundry balances written back (net)		(206.27)	(175.85)
Driscarding/written off of Property, plant and equipment and Intangible assets		166.34	-
Gain on monetization of Property, Plant and Equipment (Refer Note No. 55)		-	(15,633.29)
Profit on disposal of Property, plant and equipment (net)		(0.33)	-
Bad debts		3.16	-
Allowance for doubtful debts		8.68	7.33
Settlement of claims		700.75	(2,001.74)
Loss on sale of investment in subsidiary (Refer Note No. 54.2)		-	4,338.19
Depreciation and amortization expense		1,482.22	2,091.67
Finance costs		11,236.53	13,761.94
Unwinding interest income on loan to subsidiaries		(420.02)	(185.51)
Interest income on fixed deposits		(0.19)	-
Liability Component of Compound Financial Instruments (OCRPS)		(653.17)	-
Financial guarantees income		(898.96)	(639.31)
Foreign exchange difference (net)		12.81	(15.22)
Operating profit before working capital changes		**7,915.06**	**5,443.87**
Adjustments for			
Change in Inventories		2,583.34	-
(Increase) in financial and other assets		(9,356.47)	(2,183.18)
(Decrease) in financial and other liabilities		(844.68)	(11,630.30)
Cash generated from operations		**297.25**	**(8,369.61)**
Direct taxes paid (net of refunds)		(118.27)	(705.14)
Net cash flow from operating activities	**(A)**	**178.98**	**(9,074.75)**
Cash flow from investing activities			
Purchase of property, plant and equipments		(49.78)	(89.78)
Purchase of intangible assets		-	(1,120.00)
Purchase of Capital work in progress and Intangible assets under development		(45.37)	-
Proceeds from sale of property, plant and equipment		2.38	60.00
Proceeds from monetization of property, plant and equipments		-	43,400.00
Capital advance		(1,020.41)	(88.24)
Investment made in equity shares		(23.00)	(155.50)
Sale of Investment in subsidiaries		-	330.84
Loans given to subsidiaries (net)		1,892.10	(33,278.20)
Interest income on fixed deposits		0.19	-
Net cash flow from investing activities	**(B)**	**756.11**	**9,059.12**

Notes to the financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars		Year Ended 31st March, 2019	Year Ended 31st March, 2018
Cash flow from financing activities			
Issue of Equity shares (including Security Premium)		-	15,268.38
Money received against share warrants		15.00	860.25
Proceeds from non-current borrowings		2,611.82	3,200.00
Repayment of non-current borrowings		(1,248.03)	(18,071.01)
Short-term borrowings (Net)		(1,227.65)	5,543.64
Unpaid Dividend transfer to IEPF A/c		(0.04)	-
Interest paid		(1,200.89)	(6,727.10)
Net cash flow from financing activities	**(C)**	**(1,049.79)**	**74.16**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		**(114.70)**	**58.53**
Cash and cash equivalents at the beginning of the year		135.73	77.20
Cash and cash equivalents at the end of the year (Refer Note No. 13 and 14)		**21.03**	**135.73**

Change in liabilities arises from financing activities (₹ in Lakh)

Particulars	Long term Borrowings	Short term Borrowings
As at 1st April, 2018	84,007.14	10,488.81
Add: Transaction cost	305.77	-
Less: Conversion of Liability Component of Compound Financial Instruments (OCRPS) into Equity	(10,342.61)	-
Add: Non cash items	845.00	-
Add/Less: Cash flow (net)	1,363.79	(1,227.65)
As at 31st March, 2019	76,179.09	9,261.16

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 invetories has been considered as non cash items (Refer note no.44)

Notes to the financial statements 1 to 67

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: 27th May, 2019

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP: Accounts & Finance

Notes to the financial statements for the year ended 31st March, 2019

1 Corporate Information

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

These statements comprises of financial statements of Arshiya limited (CIN : L93000MH1981PLC024747) for the year ended 31st March, 2019. The Company is a public company domiciled in India and is incorporated on 3rd July, 1981 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

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

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

The Financial statements of the Company for the year ended 31st March, 2019 were approved and adopted by the Board of Directors in their meeting held on 27th May, 2019.

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 measured at fair value.

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, 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, 2019

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

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

The Company as a lessee

(a) Finance lease

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

(b) Operating lease

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

The Company as a lessor

(a) Finance lease

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

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

Notes to the financial statements for the year ended 31st March, 2019

(b) Operating lease

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

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

3.4 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.

Notes to the financial statements for the year ended 31st March, 2019

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

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

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

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

(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.

Notes to the financial statements for the year ended 31st March, 2019

Financial Liabilities - Financial guarantee contracts

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

Financial Liabilities - Derecognition

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

Compound Instruments

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

Notes to the financial statements for the year ended 31st March, 2019

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.

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).

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.

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

(vii) 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.

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.

Notes to the financial statements for the year ended 31st March, 2019

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.

(b) Defined Benefit Plan

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

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

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

3.13 Taxes on Income

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

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

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

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

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

Notes to the financial statements for the year ended 31st March, 2019

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 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

Notes to the financial statements for the year ended 31st March, 2019

(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.

3.18 Off-setting financial Instrument

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

3.19 Segment Reporting - Identification of Segments

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

3.20 Contributed Equity

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

3.21 Cash flow statement

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

3.22 Business combinations

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

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.

(iii) Adjustments are only made to harmonise accounting policies.

(iv) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

(v) The balance of the Retained Earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.

Notes to the financial statements for the year ended 31st March, 2019

(vi) The identities of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

(vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to Capital Reserve and is presented separately from Other Capital Reserves.

4 Significant accounting judgements, estimates and assumptions

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

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

4.1 Property, plant and equipment and Intangible Assets

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

4.2 Income Tax

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

4.3 Contingencies

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

4.4 Impairment of financial assets

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

4.5 Impairment of non-financial assets

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

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

4.6 Defined benefits plans

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

4.7 Recoverability of trade receivable

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

4.8 Provisions

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

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.

4.10 Recent accounting pronouncements:

Standards Issued But Not Effective

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) has notified IND AS 116 – Leases and certain amendment to existing IND AS. These amendments shall be applicable to the Company from 1st April, 2019.

(a) Issue of IND AS 116 - Lease

Ind AS 116 will supersede the current standard on leases i.e. IND AS 17- Leases. As per IND AS 116, the lessor will have to bring to books all the non-cancellable portion of leasing arrangement.

(b) Amendment to existing standards

The MCA has also carried out amendments of the following accounting standards

(i) IND AS 101- First time adoption of Indian Accounting Standards
(ii) IND AS 103 - Business Combinations
(iii) IND AS 109 - Financial Instruments
(iv) IND AS 111 - Joint Arrangements
(v) IND AS 12 - Income Taxes
(vi) IND AS 19 - Employee Benefits
(vii) IND AS 23 - Borrowing Costs
(viii) Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company’s financial statements.

Notes to the financial statements for the year ended 31st March, 2019

5. Property, Plant and Equipment

(₹ in Lakh)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Equipments	Computers	Leasehold Improvements	Total
Gross Carrying Value (at deemed cost)									
As at 31st March, 2017	77,439.24	42,099.06	3,411.84	736.59	48.96	1,691.47	70.01	33.37	1,25,530.54
Additions	59.02	-	-	-	-	30.76	-	-	89.78
Disposals	(9,337.96)	(17,202.94)	(1,231.14)	(532.44)	-	(704.65)	-	-	(29,009.13)
As at 31st March, 2018	**68,160.30**	**24,896.12**	**2,180.70**	**204.15**	**48.96**	**1,017.58**	**70.01**	**33.37**	**96,611.19**
Additions	-	-	21.00	8.46	13.96	9.01	17.12	-	69.55
Disposals/Discarded	-	-	(1.35)	(116.17)	(15.28)	(38.17)	(43.00)	(33.37)	(247.34)
Transfer to Inventories	(19,089.31)	-	-	-	-	-	-	-	(19,089.31)
As at 31st March, 2019	**49,070.99**	**24,896.12**	**2,200.35**	**96.44**	**47.64**	**988.42**	**44.13**	**-**	**77,344.09**
Accumulated Depreciation									
As at 31st March, 2017	**-**	**1,045.60**	**321.52**	**140.97**	**16.40**	**452.08**	**23.27**	**18.23**	**2,018.07**
Depreciation for the year	-	999.65	304.05	124.84	13.09	320.41	8.67	4.90	1,775.61
Disposals	-	(539.43)	(207.43)	(180.24)	-	(394.02)	-	-	(1,321.12)
As at 31st March, 2018	**-**	**1,505.82**	**418.14**	**85.57**	**29.49**	**378.47**	**31.94**	**23.13**	**2,472.56**
Depreciation for the year	-	752.48	209.88	24.38	7.97	153.60	1.18	-	1,149.49
Disposals/Discarded	-	-	(0.31)	(60.07)	(11.70)	(19.18)	(21.93)	(23.13)	(136.32)
As at 31st March, 2019	**-**	**2,258.30**	**627.71**	**49.88**	**25.76**	**512.89**	**11.19**	**-**	**3,485.73**
Net Carrying value as at 31st March, 2019	**49,070.99**	**22,637.82**	**1,572.64**	**46.56**	**21.88**	**475.53**	**32.94**	**-**	**73,858.36**
Net Carrying value as at 31st March, 2018	**68,160.30**	**23,390.30**	**1,762.56**	**118.58**	**19.47**	**639.11**	**38.07**	**10.24**	**94,138.63**

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 42.59 Acres amounting to ₹ 7,499.35 Lakh is used for Domestic warehousing purpose located at Khurja, Bulandshahr, Uttar Pradesh.
3) During the year, Freehold Land measuring 45.52 Acres amounting to ₹ 19,089.31 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, 2019.

Notes to the financial statements for the year ended 31st March, 2019

6. Intangible Assets

(₹ in Lakh)

Particulars	Trade Mark	Software	Total
Gross Carrying Value (at deemed cost)			
As at 31st March, 2017	**0.49**	**588.14**	**588.63**
Additions/other adjustments	-	1,120.00	1,120.00
As at 31st March, 2018	**0.49**	**1,708.14**	**1,708.63**
Additions	-	-	-
Disposals/Discarded	-	(116.94)	(116.94)
As at 31st March, 2019	**0.49**	**1,591.20**	**1,591.69**
Accumulated Amortisation			
As at 31st March, 2017	**0.20**	**156.41**	**156.61**
Amortisation for the year	0.17	315.89	316.06
Deductions	-	-	-
As at 31st March, 2018	**0.37**	**472.30**	**472.67**
Amortisation for the year	-	332.73	332.73
Deductions	-	(59.57)	(59.57)
As at 31st March, 2019	**0.37**	**745.46**	**745.83**
Net Carrying value as at 31st March, 2019	**0.12**	**845.74**	**845.86**
Net Carrying value as at 31st March, 2018	**0.12**	**1,235.84**	**1,235.96**

(₹ in Lakh)

Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	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 Industrial & Distribution Hub Limited (the face value of ₹ 10 each) @	1,72,37,152	44,499.72	1,72,37,152	44,499.72
Arshiya Northern FTWZ Limited (the face value of Rs 10 each) @	1,08,68,677	44,625.29	1,08,68,677	44,625.29
Arshiya Rail Infrastructure Limited (the face value of ₹ 10 each) @	4,23,84,417	38,369.21	4,23,84,417	38,369.21
Arshiya Transport and Handling Limited (the face value of Rs 10 each)	50,000	5.00	50,000	5.00
Arshiya Technologies (India) Private Limited (the face value of ₹ 10 each)	1,01,158	2.00	1,01,158	2.00
Arshiya Lifestyle Limited (the face value of ₹ 10 each)	14,85,000	14.85	14,85,000	14.86
Arshiya Logistics Services Limited (Formerly known as Laxmipati Balaji Exim Trading Ltd.) (the face value ₹ 10 each)	16,00,000	155.50	16,00,000	155.50
Laxmipati Balaji Supply Chain Management Private Limited (the face value of ₹ 10 each)	50,000	5.00	-	-

Notes to the financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Anomalous Infra Private Limited (the face value of ₹ 10 each)	1,10,000	11.00	-	-
Arshiya Northern Projects Private Limited (the face value ₹ 10 each)	50,000	5.00	-	-
Arshiya Infrastructure Developers Private Limited (the face value ₹ 10 each)	10,000	1.00	-	-
Unrivalled Infrastructure Private Limited (the face value ₹ 10 each)	10,000	1.00	-	-
Total (i)		**1,27,694.57**		**1,27,671.58**
(All the above equity shares are fully paid up)				
(ii) Deemed Equity Investments				
Investments at amortised cost				
Arshiya Industrial & Distribution Hub Limited		1,116.48		1,112.78
Arshiya Northern FTWZ Limited		696.96		696.96
Arshiya Rail Infrastructure Limited		1,795.82		1,735.82
Arshiya Transport and Handling Limited		302.40		302.40
Arshiya Lifestyle Limited		1,981.96		498.49
Anomalous Infra Private Limited		1,091.83		-
Total (ii)		**6,985.45**		**4,346.45**
Total (i+ii)		**1,34,680.02**		**1,32,018.03**

@ 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, 2019 - 70,59,038 (31st March 2018 - 79,46,624) equity shares in Arshiya Northern FTWZ Limited,

ii) 31st March, 2019 - 51,05,769 (31st March, 2018 - 1,35,86,659) equity shares in Arshiya Industrial & Distribution Hub Limited and

iii) 31st March, 2019 - 1,54,78,500 (31st March, 2018 - 3,87,32,491) equity shares in Arshiya Rail Infrastructure Limited

(₹ in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
Non- Current Financial Assets		
8. Loans		
Unsecured, considered good unless otherwise stated		
Loans to Subsidiaries (Refer Note No. 56)	1,732.14	1,731.47
Total	**1,732.14**	**1,731.47**
9. Trade Receivables		
Unsecured		
Considered good - Unsecured (Receivables from Related party (Refer Note No. 56))	6,061.50	-
Total	**6,061.50**	**-**

Notes to the financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
10. Other Non- Current Assets		
Capital Advances		
Considered good	1,020.41	90.65
Considered doubtful	1,395.00	1,395.00
	2,415.41	**1,485.65**
Less: Provision for impairment	(1,395.00)	(1,395.00)
	1,020.41	**90.65**
Security Deposits	59.39	60.89
TDS Receivables/Taxes paid	2,240.54	2,122.27
Total	**3,320.34**	**2,273.81**
Current Assets		
11. Inventories		
Land	16,505.97	-
Total	**16,505.97**	**-**
Current Financial Assets		
12. Trade Receivables		
Considered good - Unsecured (Receivables from Related party (Refer Note No. 56))	814.64	764.60
Trade Receivables which have significant increase in credit risk	25.37	16.69
	840.01	**781.29**
Less: Provision for expected credit losses	(25.37)	(16.69)
Total	**814.64**	**764.60**
13. Cash and Cash Equivalents		
Balances with banks:		
- in current accounts	5.77	130.78
Cash on hand	0.09	4.91
Total	**5.86**	**135.69**
14. Other Bank Balances		
Deposits with bank to the extent held as margin money	15.17	-
Balance with bank in Unpaid dividend account	-	0.04
Total	**15.17**	**0.04**
15. Loans		
Unsecured, considered good unless otherwise stated		
Loans to Subsidiaries (Refer Note No. 56)	30,327.14	33,279.99
Total	**30,327.14**	**33,279.99**

Notes to the financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
16. Other Financial Assets		
Unbilled Revenue	2,500.00	390.41
Margin money with Lender*	170.00	170.00
Other recoverables	1,412.95	1,288.30
Total	**4,082.95**	**1,848.71**
* To be adjusted at time of final settlement		
17. Other Current Assets		
Advances to Suppliers	44.42	115.48
Other Advances	93.26	93.26
Prepaid expenses	60.36	54.73
Balances with Statutory, Government Authorities (Refer Note No 51)	1,935.96	1,956.17
Cash seized by Income Tax (Refer Note No 48)	-	100.00
Total	**2,134.00**	**2,319.64**
18. Equity Share Capital		
Authorised		
(i) 24,75,00,000 (31st March, 2018 - 24,75,00,000) Equity Shares of ₹ 2 each	4,950.00	4,950.00
(ii) 1,10,00,000 (31st March, 2018 - 1,10,00,000) 0% Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each	1,100.00	1,100.00
Total	**6,050.00**	**6,050.00**
Equity Share Capital - issued, subscribed and fully paid		
24,36,14,292 (31st March, 2018 - 22,82,16,776) Equity shares of ₹ 2 each	4,872.29	4,564.34
Total	**4,872.29**	**4,564.34**

(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 on or after 20 years as per terms.

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

Notes to the financial statements for the year ended 31st March, 2019

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

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number of Shares	₹ in Lakh	Number of Shares	₹ in Lakh
Balance as at the beginning of the year	22,82,16,776	4,564.34	15,61,79,472	3,123.59
Add: Issued during the year	1,53,97,516	307.95	7,20,37,304	1,440.75
Balance as at the end of the year	**24,36,14,292**	**4,872.29**	**22,82,16,776**	**4,564.34**

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

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number of Shares	₹ in Lakh	Number of Shares	₹ in Lakh
Balance as at the beginning of the year	57,64,619	576.46	-	-
Add: Issued during the year	-	-	1,19,13,329	1,191.33
Less: Converted into equity shares during the year	(57,64,619)	(576.46)	(61,48,710)	(614.87)
Balance as at the end of the year	**-**	**-**	**57,64,619**	**576.46**

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

Name of the shareholder	As at 31st March 2019		As at 31st March 2018	
	Number of equity shares	Percentage (%) shareholding	Number of equity shares	Percentage (%) shareholding
Archana A Mittal	8,85,59,788	36.35%	8,85,59,288	38.80%
Ajay S Mittal	3,85,61,437	15.83%	3,70,60,937	16.24%
Edelweiss Asset Reconstruction Company Limited (through various trusts)	5,95,59,820	24.45%	4,56,62,304	20.01%

(d) In the Previous year ended 31st March, 2018 the Company had allotted to the Promoter Directors 1,00,00,000 equity shares and 1,00,00,000 share warrants of ₹ 2/- each at a premium of ₹58.35 per share on preferential basis pursuant to the Restructuring Agreement dated 31st March, 2017 and in terms of special resolution passed on 29th April, 2017 as per applicable provisions of Companies Act, 1956/Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulation. 85,00,000 share warrants out of 1,00,00,000 share warrants have been converted into Equity shares on 8th November, 2017.

During the year, the Company has allotted 15,00,000 Equity Shares of face value of ₹2 each to the Promoter upon conversion of equal number of warrants.

(₹ in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
19. Other Equity		
(i) Share Application money pending allotment		
Balances as at the beginning of the year	-	18,766.71
Less: On issue of Equity Shares	-	(18,766.71)
Balances as at the end of the year	**-**	**-**

Notes to the financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
(ii) Money Received against share warrants		
Balances as at the beginning of the year	860.25	-
Add: received during the year	15.00	860.25
Less: On issue of Equity Shares	(875.25)	-
Balances as at the end of the year	**-**	**860.25**
(iii) Equity Component of 0% Optionally Convertible Preference shares (OCRPS)		
Balances as at the beginning of the year	47,551.87	88,620.84
Less: On issue of Equity Shares	(47,551.87)	(41,068.97)
Balances as at the end of the year	**-**	**47,551.87**
(iv) Amalgamation Reserve		
Balances as at the beginning and end of the year	124.80	124.80
Reserve and Surplus		
(v) Securities Premium Account		
Balances as at the beginning of the year	1,74,858.67	79,617.43
Add: On issue of Equity Shares	58,213.49	95,278.86
Less: Share issue expenses/ Transaction cost	-	(37.62)
Balances as at the end of the year	**2,33,072.16**	**1,74,858.67**
(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	(63,985.47)	(68,332.90)
Add: Profit/(Loss) for the year	(3,516.49)	3,895.66
Add: Other comprehensive income/(loss)	8.11	(2.69)
Add: Fair Value of Financial instruments	-	64.05
Add: Conditional Lease rent	-	390.41
Balances as at the end of the year	**(67,493.85)**	**(63,985.47)**
Total (i to vii)	**1,66,643.28**	**1,60,350.30**

Nature and purpose of Reserve and Surplus:

(a) Securities Premium Account:

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

(b) General Reserve:

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

Notes to the financial statements for the year ended 31st March, 2019

(c) Amalgamation Reserve:

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

(d) Retained Earning:

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

(₹ in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
Non-Current Liabilities		
20. Borrowings		
Secured		
(a) Term Loans		
From Banks	3,571.43	-
From Other Parties	56,686.25	58,497.26
(b) Vehicles Loan from bank	9.52	-
Liability Component of Compound Financial Instruments (OCRPS)	-	10,342.61
Total	**60,267.20**	**68,839.87**

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

20.1 Rupee Term loan from Banks

(1) Rupee loan of ₹ 3,193.29 Lakh (31st March, 2018 - ₹ 3,189.79 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

(i) Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in Bullet payment at the end of the tenure of loan i.e. 36 months.

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 6.71 Lakh (31st March, 2018 - ₹10.21 Lakh).

(2) Rupee loan of ₹ 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.

Notes to the financial statements for the year ended 31st March, 2019

(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 ₹ 19.17 Lakh.

20.2 Rupee Term loans from Other Parties

(1) Rupee term loan of ₹ 59,513.25 Lakh (31st March, 2018 - ₹ 59,359.23 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.

(c) Terms of Repayment:-

(₹ in Lakh)

Year	Loan from Others
FY 2017-18	5,671.09
FY 2021-22	14,001.46
FY 2022-23	40,404.50
Total	**60,077.05**

(d) The Company has been in default for the repayment of principal amount of ₹ 5,671.09 Lakh. (31st March, 2018 - ₹ 5,671.09 Lakh).

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 563.80 Lakh (31st March, 2018 - ₹ 717.82 Lakh).

(2) Rupee term loan of ₹ 2,495.44 Lakh (31st March, 2018 - ₹ 2,672.34 Lakh):

(a) Securities provided

Notes to the financial statements for the year ended 31st March, 2019

(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 ₹ 670.00 Lakh. (31st March, 2018 - ₹ 428 Lakh)

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 199.56 Lakh (31st March, 2018 - ₹ 405.66 Lakh).

(3) Rupee term loan of ₹ 2,018.65 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.
(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. 18 months.

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 81.35 Lakh.

20.3 Vehicle loans from Bank

Vehicle loans are secured by way of hypothecation of vehicles. Rate of interest 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 Mar, 2019**	**As at 31st Mar 2018**
21. Other Financial Liabilities		
Interest accrued but not due on borrowings	221.96	-
Financial Liabilities at amortised cost		
Financial guarantees obligations	1,390.76	2,191.60
Total	**1,612.72**	**2,191.60**
22. Provisions		
Provision for employee benefits (Refer Note No.41)		
Gratuity	80.60	101.32
Leave encashment	38.33	49.70
Total	**118.93**	**151.02**

Notes to the financial statements for the year ended 31st March, 2019

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
Current Financial Liabilities		
23. Borrowings		
Secured		
(a) Loan from Other Parties	9,024.05	8,474.05
Unsecured		
(a) Loans from Promoter Directors	160.11	1,937.76
(b) Inter Corporate Deposits	77.00	77.00
Total	**9,261.16**	**10,488.81**

(23.1) Loan from Other Parties

(1) Loan of ₹ 8,474.04 Lakh (31st March, 2018 - ₹ 8,474.04 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 ₹ 8,474.04 Lakh (31st March, 2018 - ₹ Nil).

(2) Loan of ₹ 550.00 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.

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

(23.3) Unsecured Loan from Inter Corporate Deposits:

Intercorporate Deposit of ₹ 77 Lakh (31st March, 2018 - 77 Lakh) is interest free and repayable on demand.

(₹ in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
24. Trade Payables		
Micro and Small Enterprises (Refer Note No. 40)	37.88	0.89
Others	584.91	581.66
Total	**622.79**	**582.55**

Notes to the financial statements for the year ended 31st March, 2019

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
25. Other Financial Liabilities		
Financial Liabilities at amortised cost		
Current maturities of long term debts from banks	1,569.00	1,491.67
Current maturities of long term debts from other parties	14,341.09	13,675.60
Current maturities of vehicle loan	1.80	-
Interest accrued and due on borrowings	6,866.45	1,407.85
Interest accrued but not due on borrowings	4,674.69	1,892.26
Interest payable on delayed payments to MSMED creditors (Refer Note No. 40)	2.56	0.22
Unclaimed dividends	-	0.04
Deposit from Unitholders	401.30	385.68
Financial Guarantee Obligations	575.05	606.11
Payable for capital goods	265.92	1,137.29
Dues to employees	301.03	267.81
Payable for expenses	680.25	641.50
Total	**29,679.14**	**21,506.03**

25.1 Term loans from Bank - ₹ 1,472.84 Lakh (31st March, 2018 - ₹ 1,491.67 Lakh):

(i) Securities provided
- Second charge on movable and immovable property, plant and equipments of the Company, present and future on pari-passu.

(ii) The above loan is secured by personal guarantees of two Promoter Directors of the Company.

(iii) Terms of Interest rate:

Rate of interest is @ 12% p.a.

(iv) Terms of Repayment & Default:

The bank has been recalled loan of ₹ 1,472.84 Lakh (31st March, 2018 - ₹1,491.67 Lakh) and interest (including penal interest) of ₹ 178.98 Lakh (31st March, 2018 - ₹ 32.15 Lakh).

25.2 Term loans from Other Parties:

(1) Loan of ₹ 5,000.00 Lakh (31st March, 2018 - ₹ 5,000.00 Lakh) (Refer Note No. 38)
Secured by first and exclusive charge on land situated at Village Butibori at Nagpur, Maharashtra. The said loan carries interest @ 20% p.a.

(2) Loan of ₹ 2,000.00 Lakh (31st March, 2018 - ₹ 1,951.52 Lakh) (Refer Note No. 39)

(i) Secured by first and exclusive charge on land situated at Khurja, Bulandshahr, Uttar Pradesh.
(ii) The Company has been in default for the repayment of principal amount of ₹ 2,000.00 Lakh. (31st March, 2018 - ₹ 975.00 Lakh)
(iii) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2018 - ₹ 23.48 Lakh).

Notes to the financial statements for the year ended 31st March, 2019

25.3 Details of default in payment of Interest on secured loans as on 31st March, 2019 are as follows:

(₹ in Lakh)

Year	Banks	Others	Total
FY 2017-18	32.15	1,303.42	1,335.57
FY 2018-19	239.77	5,291.11	5,530.88
Total	**271.92**	**6,594.53**	**6,866.45**

(₹ in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
26. Other Current Liabilities		
Trade advances received	-	94.37
Other Payables	1.38	-
Statutory Liabilities		
Statutory dues (Refer note below)	774.86	356.34
Interest on delayed payment of statutory dues	657.87	611.77
Total	**1,434.11**	**1,062.48**

Notes:

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) .

2) Based on recent Supreme court judgement on structure of component for calculation of Provident Fund dated February 28, 2019 there are various interpretive issues including its applicability thus prospective provision w.e.f. March 01, 2019 been considered of ₹ 0.40 lakhs.

(₹ in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
27. Provision		
Provision for employee benefits (Refer Note No. 41)		
Leave encashment	8.35	9.57
Total	**8.35**	**9.57**

(₹ in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
28. Revenue From Operations		
Sale of services		
Free Trade and Warehousing Zone operations		
Storage Income	-	6,899.36
Consideration on Lease of Land	7,167.87	0.46
Conditional Lease Rent	2,500.00	-
Business Conducting Fees (Refer Note No. 53)	3,351.11	972.91
Material Handling and other services	-	649.29
Income from Domestic Warehousing	**121.00**	**20.00**
Total	**13,139.98**	**8,542.02**

Notes to the financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars		As at 31st Mar, 2019	As at 31st Mar 2018
29. Other Income			
Bank fixed deposits		0.19	-
Interest income from others		7.40	1.38
Interest income on financial assets carried at amortised cost			
Loan to Subsidiairies		420.02	185.51
Other Non Operating Income			
Financial guarantee income		898.96	639.31
Foreign exchange differences (net)		-	15.22
Sundry balances written back (net)		206.27	175.85
Miscellaneous income		6.14	2.82
Gain on derecognised of Liability Component		653.17	-
Gain on disposal of Property, plant and equipment (net)		0.33	-
	Total	**2,192.48**	**1,020.09**
30. Cost of Inventories (Lease Land)			
Cost of Inventories (Lease Land)		2,583.34	-
Total		**2,583.34**	**-**
31.Material Handling and other Charges			
Material Handling and other Charges		87.63	320.61
	Total	**87.63**	**320.61**
32. Employee Benefits Expense			
Salaries, wages and bonus		1,625.32	1,394.29
Contribution to provident and other funds		50.04	30.90
Staff welfare expenses		44.92	31.42
	Total	**1,720.28**	**1,456.61**
33. Finance Cost			
Interest expense on borrowings		10,810.67	13,259.46
Unwinding Interest on security deposits		-	226.36
Interest expense on MSMED vendors		2.56	0.22
Interest expense on statutory dues		88.09	214.39
Other borrowing costs		335.21	61.51
	Total	**11,236.53**	**13,761.94**
34. Depreciation and Amortisation Expense			
Depreciation on Property, plant and equipment		1,149.49	1,775.61
Amortisation of intangible assets		332.73	316.06
	Total	**1,482.22**	**2,091.67**

Notes to the financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
35. Other Expenses		
Electricity charges	111.89	230.71
Rent	29.06	13.58
Repairs and maintenance:		
- Building	83.13	104.28
- Plant and Machinery	63.36	84.53
- Others	35.42	53.55
Insurance	11.30	9.06
Rates and taxes	12.65	4.94
Communication expenses	20.75	22.72
Travelling and conveyance expenses	53.17	95.39
Vehicle expenses	36.41	42.28
Printing and stationery	27.77	24.24
Legal and professional fees	130.90	146.45
Security charges	52.27	246.90
Auditor's remuneration:		
- Audit Fees	54.00	54.00
- Limited Review Fees	15.00	18.25
- Certification fees	2.20	1.75
Advertisement and Sales Business Promotion expenses	28.66	78.23
Allowance for doubtful debts	8.68	7.33
Bad debts	3.16	-
Foreign exchange differences (net)	12.81	-
Director sitting fees	2.65	5.75
Miscellaneous expenses	76.62	88.53
Driscarding/written off of Property, plant and equipment and Intangible assets	166.34	-
Total	**1,038.20**	**1,332.46**
36. Exceptional Items		
Settlement of claims	700.75	(2,001.74)
Gain on monetization of property, plant and equipment (Refer Note No. 55)	-	(15,633.29)
Loss on sale of subsidiary (Refer Note No 54.2)	-	4,338.19
Total	**700.75**	**(13,296.84)**

Notes to the financial statements for the year ended 31st March, 2019

37 Contingent Liabilities and Commitments

37.1 Contingent Liabilities (to the extent not provided for in respect of):

(₹ in Lakh)

S. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
(i)	Disputed Income Tax demands	18,515.52	11,087.78
(ii)	Disputed Sales Tax demands	-	20.51
(iii)	Disputed Service Tax demands	62.68	-
(iv)	Disputed Local Body Tax demands	160.33	160.33
(v)	Claims against the Company not acknowledged as debts	2,268.60	2,321.79
(vi)	Import Continuity / Transshipment Bond	10,000.00	10,000.00
(vii)	Bond cum legal under taking	5,196.00	5,196.00
(viii)	Bank Guarantees for Maharashtra Pollution Control Board	15.00	-
(ix)	Corporate Guarantees given	18,500.00	-

37.2 Capital commitments

Estimated amount of contracts remaining to be executed on capital and other accounts and not provided for (net of advances paid) are ₹ 5,782.08 Lakhs (31st March, 2018 - ₹ Nil)

38 A Public Financial Institution (PFI) agreed to settle their outstanding loan constituting principle and interest of ₹ 16,700 Lakh. Settlement terms and conditions involves payment of ₹ 5,000 Lakh which is secured by land at Nagpur and for balance amount of ₹ 11,700 Lakh, allotment of Optionally Convertible Redeemable Preference Shares - V (OCRPS - V), convertible upto 15,50,000 equity shares at the option of the PFI. Considering the same, necessary effect has been given in the books of accounts during the previous year. As per shareholder approval in the EOGM dated 29th January 2018, the company has approved allotment of 11,70,000 OCRPS – V and the same was converted into 15,50,000 Equity shares on 22nd February, 2018 as per settlement terms agreed. Subsequently in the Honorable High Court of Bombay, the Company has made the representation that post allotment of the equity shares as exercised by the PFI, the total outstanding debt remains at ₹ 5,000 lakhs.

During the year ended 31st March, 2019, the PFI has assigned its debt to the Edelweiss Asset Reconstruction Company (EARC). The Company has provided interest in line with major terms negotiated with EARC, till the finalisation of the restructuring agreement.

39 During the year, the Company has defaulted in payment as per consent terms signed with one of the Non-Banking Financial Company (NBFC). Subsequent to the year end 31st March, 2019, the said NBFC has assigned its debt to Edelweiss Asset Reconstruction Company (EARC). Pursuant to said assignment, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges. The company doesn't expect any additional liabilities / charges and liabilities accounted in the books of account are adequate.

40 Disclosures under Micro, Small And Medium Enterprises Development ("MSMED") Act, 2006

(₹ in Lakh)

Sr. No.	Description	As at 31st March 2019	As at 31st March 2018
a)	Principal amount due and remaining unpaid	38.13	0.89
b)	Interest due thereon remaining unpaid	2.56	0.22
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	2.56	0.22
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.

Notes to the financial statements for the year ended 31st March, 2019

41 Employee Benefits

41.1 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, 2019	Year ended 31st March, 2018
Employer's Contribution to Provident Fund	7.91	6.90
Employer's Contribution to Pension Scheme	17.97	15.69
Employer's Contribution to ESIC	0.47	1.02

(b) Brief descriptions of the plans

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

(c) Leave Encashment:

(₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision recognised in the Balance Sheet		
Current Provision as at the end of the year	8.35	9.57
Non Current Provision as at the end of the year	38.33	49.70
Provision recognised in the Balance Sheet	46.68	59.27

(d) Defined benefit plan – Gratuity:

The employee's Gratuity fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up to final obligation.

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2006-08) Ult	Indian Assured lives Mortality (2006-08) Ult
Discount rate	6.95%	7.40%
Expected return on plan assets	7.40%	7.40%
Salary Escalation Rate	9.00%	7.00%
Withdrawal Rate	17.00%	15.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Provision as at the beginning of the year	116.24	99.57
Interest cost	8.59	6.46
Current service cost	16.17	25.73
Benefits paid	(4.73)	(8.15)
Acquisition adjustments	(31.54)	-
Actuarial (gain)/loss on obligations	(8.11)	(7.37)
Provision as at the end of the year	96.62	116.24

Notes to the financial statements for the year ended 31st March, 2019

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	14.92	14.92
Expected return on plan assets	1.10	1.03
Actual Enterprise's Contributions	-	8.15
Benefits paid	-	(8.15)
Actuarial gain/(loss) on plan assets	-	(1.03)
Fair value of plan assets as at the end of the year	16.02	14.92
IV. Actual return on plan assets		
Expected return on plan assets	1.10	1.03
Actuarial gain/(loss) on plan assets	-	(1.03)
Actual return on plan assets	1.10	-
V. Provision recognised in the Balance Sheet		
Provision as at the end of the year	96.62	116.24
Fair value of plan assets as at the end of the year	16.02	14.92
Provision recognised in the Balance Sheet	80.60	101.32
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	16.17	25.74
Interest cost	8.59	6.46
Expected return on plan assets	(1.10)	(1.03)
Net actuarial (gain)/loss to be on obligation	-	-
Expense recognised in Statement of Profit and Loss	23.66	31.17
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	11.73	(2.81)
Due to Change in demographic assumption	(1.54)	-
Due to Change in experience assumption	(18.30)	(4.56)
Expected return on plan assets	-	1.03
Total remasurement recognised in OCI	(8.11)	(6.34)
IX. Balance Sheet reconciliation		
Opening net provision	101.32	84.64
Expenses recognised in Profit & Loss	23.66	31.17
Actual Employer Contribution	(4.73)	(8.15)
Acquisition adjustments	(31.54)	-
Total Remeasurement recognised in OCI	(8.11)	(6.34)
Closing net provision	80.60	101.32

(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.

Notes to the financial statements for the year ended 31st March, 2019

41.2 Sensitivity analysis:

(₹ in Lakh)

Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended 31st March, 2018		
Salary growth rate	+0.50%	204.08
	-0.50%	194.55
Discount rate	+0.50%	194.59
	-0.50%	204.08
For the year ended 31st March, 2019		
Salary growth rate	+0.10%	99.08
	-0.10%	94.27
Discount rate	+0.10%	94.27
	-0.10%	99.08

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the balance sheet.

These plans typically expose the Company to actuarial risks such as: longevity risk and salary risk.

(a) **Interest risk -** A decrease in the discount rate will increase the plan provision.

(b) **Longevity risk -** The present value of the defined benefit plan provision is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants. As such, an increase the plan's provision.

(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.

41.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 5 years (31st March, 2018 - 6 years).

42 Preparation of financial statements on " Going Concern" basis

In view of the focused emphasis of the Government on logistics infrastructure sector, the proposed restructuring (Refer note no. 50) and considering the fact that the facilities are yet to achieve operational potential besides the strategic locations of the facilities, the management's future outlook of its business is very promising. Accordingly, the financials have been prepared on going concern basis even though the Company continues to incur losses.

43 Certain creditors have initiated legal proceedings against the Company and its Directors, and the Company has defaulted in payment of instalments of consent terms for which the Company is in process of negotiating and finalising the revised consent terms and/or making representations to the respective forum. Majority of the creditors have been settled over the past few years and some of the creditors have also shown interest and faith in the logistics infrastructure sector and are being allotted equity shares of the Company.

44 The Company is engaged in the business of development, operations and maintenance of Free Trade and Warehousing Zone (FTWZ) and Domestic Warehousing Zone. During the year, certain portion of land which was classified under Property, Plant and Equipment (PPE) is now transferred to inventories at their carrying amounts for future developments.

Out of the above land parcels, during the year, the Company has entered into 2 lease agreements aggregating to 5.50 Acres of land with a wholly owned subsidiary company for development of warehouses at FTWZ, Panvel and recognised the revenue from such long-term lease during the year.

Notes to the financial statements for the year ended 31st March, 2019

45 Loans from various lenders have been assigned by banks to Edelweiss Assets Reconstruction Company Limited (EARC). EARC had restructured the loan and executed the Restructuring Agreement (RA) dated 31st March, 2017. In accordance with RA, EARC has converted part debt into restructured debt, balance assigned loan is to be converted into 3,21,62,304 equity shares and 64,23,329 zero percent optionally convertible redeemable preference shares (OCRPS – Series I) of face value of ₹10 each at a price of ₹1,000 each (including premium of ₹990) of the Company, as per extant SEBI rules and regulations. The EARC has availed the right of conversion of OCRPS into equity.

During the year ended 31st March, 2019:-

(i) In aggregate 1,38,97,516 equity shares of 2 each on conversion of OCRPS Series I have been allotted to EARC.

(ii) Pursuant to RA, the Company has allotted 15,00,000 Equity Shares of face value of ₹2 each to the Promoter upon conversion of equal number of warrants.

46 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.

47 Corporate Guarantees

The Company has issued a corporate guarantee of ₹ 27,724.43 Lakh to the lenders of Arshiya Northern FTWZ limited (ANFTWZ), a subsidiary Company. This guarantee has been invoked by the lenders since ANFTWZ 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.

48 Cash Seized by Income Tax

The amount of ₹ 100 Lakh cash seized by the Income Tax department at the time of search on 13th June, 2014 has adjusted the said cash seized against demand of the Company and to be specific against Assessment Year 2014-2015. While there is a demand in Assessment Year 2014-2015, the same is contested and the said demand is reflected in Contingent Liability (Refer note no. 37).

49 Scheme of arrangement and amalgamation u/s 230 to 232 and other applicable provisions of the Companies Act, 2013 has been filed before the National Company Law Tribunal ("NCLT") between Arshiya Rail Infrastructure Limited, Arshiya Industrial & Distribution Hub Limited and Arshiya Transport & Handling Limited and their respective shareholders. The scheme is conditional on various approval / sanctions and is effective thereafter; accordingly no effect of the said Scheme is given in the financial statements. The meeting of the creditors was held on 6th May, 2019. The Scheme(s) shall be given effect after receipt of necessary approvals.

50 The Board of Directors of the Company in their meeting held on 24th May, 2018, has approved a scheme to further reorganize its corporate structure spread across various group companies, in order to integrate/consolidate it's operations by reorganizing different businesses into two entities.

This Scheme is presented under Sections 230 to 232 read with Sections 66 and 52 and other applicable provisions of the Companies Act, 2013 for demerger of "Domestic warehousing business" of the company into Arshiya Rail Infrastructure Limited. This proposed scheme of arrangement is conditional upon approval of an ongoing scheme of group companies i.e. merger of Arshiya Rail Infrastructure Limited, Arshiya Industrial and Distribution Hub Limited and Arshiya Transport & Handling Limited, which is pending with NCLT. No accounting impact and disclosures are considered necessary at this stage pending requisite regulatory approvals.

51 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,

Notes to the financial statements for the year ended 31st March, 2019

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.

52 As per Ind-AS 108 "Operating Segment", information has been provided along with the consolidated financial statements of the Group.

53 The Company has 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 (formerly known as Arshiya Rail Siding and Infrastructure 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 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 ₹ 3,351.11 Lakh during the year ended 31st March, 2019 (31st March 2018 - ₹ 972.91 Lakh).

54 Investments

54.1 The Company's non-current investment in subsidiaries and its non-current / current loans dues from subsidiaries aggregating to ₹ 156,510.60 Lakh. The net worth of aforesaid subsidiaries has either been fully eroded or most of the entities have incurred losses and have accumulated losses. The operations of these subsidiaries are dependent on business plans and various steps taken by the management. The management of Arshiya Group also taken up steps to reorganize its corporate structure spread across various group companies in order to integrate/ consolidate its operations by housing different businesses into two different entities/ separate verticals, through scheme of arrangements. The Company has also obtained valuation report from registered valuer. Based on this and other factors stated, management has considered that no adjustment are required to be made to the carrying value of investment and loans as at 31st March 2019.

54.2 The Company has divested its entire investment in a subsidiary company namely Mira Supply Chain Management Private Limited (formerly known as Arshiya Supply Chain Management Private Limited). As a result, the Company has accounted net loss of ₹ 4,338.19 lakhs for the year ended 31st March, 2018 and this loss is grouped under exceptional item.

55 The Company, interalia, it's subsidiaries and promoters has executed Lease Deed on 3rd February 2018, in favour of a SPV of Ascendas Property Fund (India) Pte. Limited ("Ascendas" - part of the Ascendas-Singbridge Group, Singapore) for grant of leasehold rights of six warehouses at FTWZ Panvel, along with underlying land of those warehouses, identified assets and infrastructure facilities on an initial lease term of 30 (thirty) years. The said transaction is for a total consideration of ₹ 53,400 Lakh (or Rupees Five hundred and thirty four crore), with an upfront lease payment/lump sum rent of ₹ 43,400 Lakh (or Rupees Four hundred and thirty four crore). The balance of ₹ 10,000 Lakh (or Rupees One hundred crore) will be received over four years from transaction closing based on certain performance milestones. The transaction also envisages the terms for construction funding by Ascendas for future growth of the company's business. The Company already possesses the requisite land for the future development.

On transaction closing date of 3rd February 2018, the SPV has acquired long-term leasehold rights from the Company and the same are leased back under an operating lease arrangement pursuant to execution of sub-lease deed dated 3rd February 2018 to Arshiya Lifestyle Limited ("ALL"), a wholly owned subsidiary of the Company, for a sub-lease term of 6 (six) years, renewable as per mutually agreed terms, in consideration of pre-agreed rentals.

Notes to the financial statements for the year ended 31st March, 2019

Accordingly during the year ended 31st March, 2018 the Company has reduced the value of assets, granted on leasehold rights to Ascendas Panvel FTWZ Limited [formerly known as Arshiya Rail Siding and Infrastructure Limited (""APFL"")], from its fixed assets. The gain on grant of leasehold rights to APFL amounting to ₹ 15,633.29 lakh has been credited to profit and loss account of the Company and is disclosed as an exceptional item.

Based on the above, ALL would operate and manage these six warehouses and pay the lease rentals to APFL as defined in the sub-lease agreement. Hence from 3rd February, 2018 onwards all revenue from these assets will be accounted by ALL. However the company will recognise the net revenue in terms of a business conducting agreement entered into between the Company and ALL.

56 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)	
			31st March, 2019	31st March, 2018
	Direct Subsidiaries:			
(i)	Arshiya Rail Infrastructure Limited	India	100%	100%
(ii)	Arshiya Northern FTWZ Limited	India	100%	100%
(iii)	Arshiya Industrial & Distribution Hub Limited	India	100%	100%
(iv)	Arshiya Transport and Handling Limited	India	100%	100%
(v)	Arshiya Technologies (India) Private Limited	India	100%	100%
(vi)	Arshiya Lifestyle Limited	India	100%	100%
(vii)	Arshiya Logistics Services Limited (Formerly known as Laxmipati Balaji Exim Trading Limited) (w.e.f. 13th Jun, 2017)	India	100%	100%
(viii)	Anomalous Infra Private Limited (w.e.f. 15th October, 2018)	India	100%	Nil
(ix)	Arshiya Northern Projects Private Limited (w.e.f. 25th October, 2018)	India	100%	Nil
(x)	Arshiya Infrastructure Developers Private Limited (w.e.f. 9th January, 2019)	India	100%	Nil
(xi)	Laxmipati Balaji Supply Chain Management Limited (w.e.f 7th May, 2018)	India	100%	Nil
(xii)	Unrivalled Infrastructure Private Limited (w.e.f. 7th January, 2019)	India	100%	Nil
(xiii)	Mira Supply Chain Management Private Limited (formerly known as Arshiya Supply Chain Management Private Limited) (up to 22nd March, 2018)	India	Nil	Nil
	Indirect Subsidiaries:			
	Held through Arshiya Logistics Services Limited:			
(xiv)	Arshiya 3PL Services Private Limited (w.e.f. 27th August, 2018)	India	100%	Nil
	Held through Arshiya Rail Infrastructure Limited:			
(xv)	Ascendas Panvel FTWZ Limited (formerly known as Arshiya Rail Siding and Infrastructure Limited) (up to 3rd February, 2018)	India	Nil	Nil

(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. Mukesh Kacker - Independent Director
Mr. Rishabh Shah - Independent Director

Notes to the financial statements for the year ended 31st March, 2019

Prof. G. Raghuram - Independent Director (till 15th May, 2017)
Mr. Tara Sankar Bhattacharya - Independent Director (w.e.f. 24th May, 2018)
Mrs. Savita Dalal – Company Secretary and Compliance Officer
Mr. S. Maheshwari - Chief Financial Officer

(III) Relative of Person having significant influence over the Company
Mr. Ananya Mittal – Corporate Strategy Officer (Arshiya Group)

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, 2019	31st March, 2018
Revenue from operations	Mira Supply Chain Management Private Limited	-	1,215.97
	Arshiya Logistics Services Limited	-	2,694.77
	Arshiya Lifestyle Limited	3,351.11	972.91
	Anomalous Infra Private Limited	7,001.49	-
Income billed to customer on behalf of the Subsidiary Company	Arshiya Lifestyle Limited	1,777.01	257.65
Advance Rent Income	Mira Supply Chain Management Private Limited	-	112.71
Advance Finance Lease Income	Anomalous Infra Private Limited	163.38	-
Unwinded Interest Income on Loan to subsidiaries	Arshiya Rail Infrastructure Limited	63.70	56.88
	Arshiya Northern FTWZ Limited	20.06	17.91
	Arshiya Industrial & Distribution Hub Limited	11.60	10.36
	Arshiya Transport and Handling Limited	112.42	100.37
	Arshiya Lifestyle Limited	212.24	-
Financial Guarantees Income	Arshiya Rail Infrastructure Limited	246.46	240.56
	Arshiya Northern FTWZ Limited	126.80	126.80
	Arshiya Industrial & Distribution Hub Limited	133.53	178.99
	Arshiya Lifestyle Limited	168.14	0.46
	Mira Supply Chain Management Private Limited	-	89.93
Unwinded Interest expenses on Security Deposit	Mira Supply Chain Management Private Limited	-	104.77
Reimbursement/Allocation of common costs and expenses (Refer Note No. 60)	Arshiya Rail Infrastructure Limited	419.55	418.25
	Arshiya Northern FTWZ Limited	41.95	566.71
	Arshiya Industrial & Distribution Hub Limited	101.95	418.25
	Arshiya Lifestyle Limited	615.65	-
	Arshiya Logistics Services Limited	-	(28.71)
Lease Rent Expenses	Arshiya Northern FTWZ Limited	33.76	8.44
Remuneration paid to Key Managerial Person	Mr. S. Maheshwari	203.68	185.15
	Ms. Savita Dalal	16.61	-
Director sitting fees	Mr. Ashishkumar Bairagra	1.15	2.00
	Mr. Mukesh Kacker	0.40	1.80
	Prof. G. Raghuram	-	0.20
	Mr. Rishabh Shah	0.40	1.75
	Mr. T S Bhattacharya	0.70	-

Notes to the financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Nature of transactions	Name of the Party	31st March, 2019	31st March, 2018
Loans and advances given	Arshiya Rail Infrastructure Limited	788.31	4,831.75
	Arshiya Northern FTWZ Limited	2,533.34	7,188.87
	Arshiya Industrial & Distribution Hub Limited	719.57	14,470.75
	Arshiya Technologies (India) Private Limited	0.70	1.88
	Arshiya Transport and Handling Limited	5.52	4.12
	Arshiya Lifestyle Limited	-	10,706.09
	Arshiya Logistics Services Limited	-	3,440.00
	Anomalous Infra Private Limited	0.39	-
	Unrivalled Infrastructure Private Limited	0.01	-
	Arshiya Infrastructure Developers Private Limited	0.01	-
	Arshiya Northern Projects Private Limited	0.28	-
	Laxmipati Balaji Supply Chain Management Limited	16.46	-
	Arshiya 3PL Services Private Limited	0.01	-
Loans and advances given repaid/ adjusted	Arshiya Rail Infrastructure Limited	2,996.44	3,751.60
	Arshiya Northern FTWZ Limited	280.19	337.26
	Arshiya Industrial & Distribution Hub Limited	102.17	514.50
	Arshiya Technologies (India) Private Limited	1.00	-
	Arshiya Transport and Handling Limited	5.15	-
	Arshiya Lifestyle Limited	3,128.96	725.10
	Arshiya Logistics Services Limited	-	3,361.30
	Laxmipati Balaji Supply Chain Management Limited	6.25	-
Loans and advances taken	Mr. Ajay S Mittal	788.46	3,064.09
	Mrs. Archana A Mittal	1,116.14	4,260.42
Loans and advances taken repaid/ adjusted*	Mr. Ajay S Mittal	1,153.32	2,594.62
	Mrs. Archana A Mittal	2,528.94	2,860.31
Conversion of Loan into Equity	Arshiya Logistics Services Limited	-	50.00
Investment in Subsidiaries	Anomalous Infra Private Limited	11.00	-
	Laxmipati Balaji Supply Chain Management Limited	5.00	-
	Arshiya Infrastructure Developers Private Limited	1.00	-
	Arshiya Northern Projects Private Limited	5.00	-
	Unrivalled Infrastructure Private Limited	1.00	-
Issue of Equity Shares and Warrants	Mr. Ajay S Mittal		
	Equity Share	-	5,835.00
	Share Warrants	-	5,820.00
	Mr. S. Maheshwari		
	Equity Share	-	583.50
Share Warrants converted into Equity	Mr. Ajay S Mittal	860.25	4,959.75
Investments purchased from	Mrs. Archana A Mittal	-	0.49
Investments sold to	Arshiya Industrial & Distribution Hub Limited	-	330.83

Notes to the financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Nature of transactions	Name of the Party	31st March, 2019	31st March, 2018
Security Deposit received	Mira Supply Chain Management Private Limited	-	11,500.00
Security Deposit repaid/adjusted	Mira Supply Chain Management Private Limited	-	17,226.91
Corporate guarantees given	Arshiya Lifestyle Limited	241.87	31,316.02
Corporate guarantees reduced	Arshiya Lifestyle Limited	4,659.61	-
Corporate guarantees received	Arshiya Rail Infrastructure Limited	550.00	-
	Arshiya Northern FTWZ Limited		-

Closing Balances

(₹ in Lakh)

Nature	Related Party	As at 31st March, 2019	As at 31st March, 2018
Loans and advances given	Arshiya Rail Infrastructure Limited	304.38	2,029.26
	Arshiya Northern FTWZ Limited	9,900.62	7,585.45
	Arshiya Industrial & Distribution Hub Limited	15,202.12	14,471.17
	Arshiya Transport and Handling Limited	1,054.68	941.89
	Arshiya Technologies (India) Private Limited	2.40	2.70
	Arshiya Lifestyle Limited	5,584.17	9,980.99
	Anomalous Infra Private Limited	0.39	-
	Unrivalled Infrastructure Private Limited	0.01	-
	Arshiya Infrastructure Developers Private Limited	0.01	-
	Arshiya Northern Projects Private Limited	0.28	-
	Laxmipati Balaji Supply Chain Management Limited	10.21	-
	Arshiya 3PL Services Private Limited	0.01	-
Trade receivables	Arshiya Logistics Services Limited	-	288.87
	Arshiya Lifestyle Limited	553.40	104.81
	Anomalous Infra Private Limited	6,062.99	-
Trade Payables	Arshiya Northern FTWZ Limited	-	8.27
Loans taken	Mr. Ajay S Mittal	104.89	469.75
	Mrs. Archana A Mittal	55.22	1,468.01
Share warrants	Mr. Ajay S Mittal	-	860.25
Personal guarantees taken	Mr. Ajay S Mittal	1,96,920.00	1,86,370.00
	Mrs. Archana A Mittal	1,96,370.00	1,86,370.00
Equity Shares (excluding share premium)	Mr. S. Maheshwari	20.00	20.00
Financial Guarantee Obligations	Arshiya Rail Infrastructure Limited	854.69	1,041.15
	Arshiya Industrial & Distribution Hub Limited	536.06	665.90
	Arshiya Northern FTWZ Limited	241.81	368.60
	Arshiya Lifestyle Limited	333.25	498.03
Investment in subsidiaries (Refer Note No.7)	Arshiya Industrial & Distribution Hub Limited	44,499.72	44,499.72
	Arshiya Northern FTWZ Limited	44,625.29	44,625.29
	Arshiya Rail Infrastructure Limited	38,369.21	38,369.21
	Arshiya Transport and Handling Limited	5.00	5.00
	Arshiya Technologies (India) Private Limited	2.00	2.00
	Arshiya Lifestyle Limited	14.85	14.86
	Arshiya Logistics Services Limited	155.50	155.50

Notes to the financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Nature	Related Party	As at 31st March, 2019	As at 31st March, 2018
	Laxmipati Balaji Supply Chain Management Private Limited	5.00	-
	Anomalous Infra Private Limited	11.00	-
	Arshiya Northern Projects Private Limited	5.00	-
	Arshiya Infrastructure Developers Private Limited	1.00	-
	Unrivalled Infrastructure Private Limited	1.00	-
Deemed Equity (Refer Note No. 7)	Arshiya Industrial & Distribution Hub Limited	1,116.48	1,112.78
	Arshiya Northern FTWZ Limited	696.96	696.96
	Arshiya Rail Infrastructure Limited	1,795.82	1,735.82
	Arshiya Transport and Handling Limited	302.40	302.40
	Arshiya Lifestyle Limited	1,981.96	498.49
	Anomalous Infra Private Limited	1,091.83	-
Corporate guarantees/securities issued to	Arshiya Northern FTWZ Limited	28,450.00	28,450.00
	Arshiya Rail Infrastructure Limited	51,200.19	48,200.19
	Arshiya Industrial & Distribution Hub Limited	29,600.00	29,600.00
	Arshiya Lifestyle Limited	26,130.94	30,548.68
Corporate guarantees/securities received from	Arshiya Rail Infrastructure Limited	550.00	-
	Arshiya Northern FTWZ Limited		-

57 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	2019	304.38	2,128.49
	2018	2,029.26	5,434.21
Arshiya Transport and Handling Limited	2019	1,054.68	1,059.58
	2018	941.89	1,054.27
Arshiya Industrial & Distribution Hub Limited	2019	15,202.12	15,202.13
	2018	14,471.17	14,482.75
Arshiya Northern FTWZ Limited	2019	9,900.62	9,900.62
	2018	7,585.45	7,653.69
Arshiya Technologies (India) Private Limited	2019	2.40	3.40
	2018	2.70	2.66
Arshiya Logistics Services Limited	2019	-	-
	2018	-	853.39
Arshiya Lifestyle Limited	2019	5,584.17	9,980.99
	2018	9,980.99	10,545.51
Anomalous Infra Private Limited	2019	0.39	0.39
	2018	-	-
Unrivalled Infrastructure Private Limited	2019	0.01	0.01
	2018	-	-
Arshiya Infrastructure Developers Private Limited	2019	0.01	0.01
	2018	-	-

Notes to the financial statements for the year ended 31st March, 2019

Arshiya Northern Projects Private Limited	2019 2018	0.28 -	0.28 -
Laxmipati Balaji Supply Chain Management Limited	2019 2018	10.21 -	10.21 -
Arshiya 3PL Services Private Limited	2019 2018	0.01 -	0.01 -
Total	**2019** **2018**	**32,059.28** **35,011.46**	

58 Earnings per share:

Particulars	**Year ended 31st March 2019**	**Year ended 31st March 2018**
Profit/(Loss) for the year (₹ in Lakh)	(3,516.49)	3,895.66
Add: Interest adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	-	946.32
Total Profit/(Loss) for the year for diluted EPS (₹ in Lakh)	(3,516.49)	4,841.98
Number of equity shares		
Weighted average number of equity shares (Number)	23,80,15,279	18,31,20,902
Add: Adjustment on account of Share Warrants	-	5,91,781
Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	-	54,82,856
Total Weighted average number of equity shares/shares warrants/OCRPS	23,80,15,279	18,91,95,538
Nominal value per share (Amount in ₹)	2.00	2.00
Earnings per share – Basic and Diluted (Amount in ₹)	(1.48)	2.13

0% OCRPS and share warrants had an anti diluting effect on earning per share hence have not been consider for the purpose of computing dilutive earning per share during the previous year.

59 Taxation

59.1 In view of loss for the year, no provision for current tax has been made.

59.2 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.

59.3 Unused tax losses for which no deferred tax assets has been recognised

(₹ in Lakh)

Assessment Year	**Business Loss**	**Unabsorbed Depreciation**	**Available for utilization till**
2014-2015	-	1,201.54	A.Y. 2022-2023
2015-2016	-	4,322.75	A.Y. 2023-2024
2016-2017	984.75	4,011.34	A.Y. 2024-2025
2017-2018	45,539.91	3,826.58	A.Y. 2025-2026
2018-2019	13,483.44	559.56	A.Y. 2026-2027
Total	**60,008.10**	**13,921.77**	

(₹ in Lakh)

Assessment Year	**Long term Capital Loss**	**Available for utilization till**
2016-2017	1,658.88	A.Y. 2024-2025
Total	**1,658.88**	

Notes to the financial statements for the year ended 31st March, 2019

Deferred tax assets as at 31st March, 2019 ₹ 1,283.30 Lakh (31st March, 2018 - ₹ 18,584.87 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, 2019**	**As at 31st March, 2018**
Property, plant and equipment	5,919.01	6,460.79
Unabsorbed depreciation	(3,619.66)	(3,557.17)
Expenses allowable on payments under section 43B and 40 (a) (ia)	(3,471.31)	(508.83)
Unabsorbed losses	(16,033.42)	(17,805.69)
Financial Instruments	15,922.08	(3,173.97)
Total Deferred tax assets	**(1,283.30)**	**(18,584.87)**

60 During the year, the Company has allocated certain common costs and expenses incurred by it, being the Holding Company, to its subsidiaries aggregating to ₹563.45 Lakh (31st March, 2018 - ₹ 1,403.22 Lakh,) based on management's estimates of such costs and expenses attributable to them. Hence, Employee benefit expenses (Refer Note No. 32) and certain expenses stated under Other expenses (Refer Note No. 35) are presented as net of allocation of certain common costs and expenses.

61 Financial Risk Management

The Company's principal financial liabilities comprises of borrowings, trade and other payables and financial guarantees contracts. The main purpose of these financial liabilities is to manage for the Company's and subsidiaries's operations. The Company's financial assets comprises of investment, loans, trade and other receivables, cash and deposits that arises directly from its operations.

The Company's activities expose it to variety of financial risks including credit risk, liquidity risk and market risk. The Company's risks management assessment, management and processes are established to identify and analyze the risks faced by the Company to set up appropriate risks limits and controls, and to monitor such risks and compliances with the same. Risks assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Risk	**Exposure arising from**	**Measurement**	**Management**
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Regular review of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Unhedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Unhedged

The Company's risk management is carried out by a corporate finance team under the policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas, such as credit risk, interest rate risk.

(a) Credit Risk

The Company is exposed to credit risk, which is risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents as well as credit exposures to trade customers including outstanding receivables.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India and outside 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.

Notes to the financial statements for the year ended 31st March, 2019

(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, 2019			
Financial liabilities			
Borrowings	25,173.05	61,118.62	-
Trade payables	622.79	-	-
Creditors for Capital Goods	265.92	-	-
Financial guarantee obligations	575.05	1,390.76	-
Other financial liabilities	12,926.28	221.96	-
Total	**39,563.09**	**62,731.34**	**-**
31st March, 2018			
Financial liabilities			
Borrowings	25,679.56	59,630.96	-
OCRPS (Equity and Liability Component)	-	-	57,646.19
Trade payables	582.55	-	-
Creditors for Capital Goods	1,137.29	-	-
Financial guarantee obligations	606.11	2,191.60	
Other financial liabilities	4,595.36	-	-
Total	**32,600.87**	**61,822.56**	**57,646.19**

(c) Market Risk

Market Risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: 1) Foreign currency risk and 2) Interest rate risk.

1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flow or an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

1.1 Foreign currency risk exposure

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

Particulars	Financial Year Ended	Foreign currency amount (Amount in Lakh)	Equivalent amount in INR (₹ in Lakh)
Trade Receivables			
USD	31st March, 2019	3.15	218.17
	31st March, 2018	5.32	341.98
EUR	31st March, 2019	0.02	1.48
	31st March, 2018	0.05	3.89
Security Deposit from customers			
USD	31st March, 2019	5.47	378.19
	31st March, 2018	5.47	351.42

Notes to the financial statements for the year ended 31st March, 2019

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, 2019	As at 31st March, 2018
FX rate - increase by 1% on closing rate of reporting date	(1.59)	(0.06)
FX rate - (decrease) by 1% on closing rate of reporting date	1.59	0.06

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, 2019	As at 31st March, 2018
Variable rate borrowing	1,472.84	1,491.67

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, 2019	31st March, 2018
50 bps increase the profit before tax by	(7.36)	(7.46)
50 bps decrease the profit before tax by	7.36	7.46

Notes to the financial statements for the year ended 31st March, 2019

62 Fair Value Measurements

(i) Financial Instruments by Category **(₹ in Lakh)**

Particulars	Carrying Amount		Fair Value	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Financial Assets				
Amortised cost				
Trade Receivables	6,876.14	764.60	6,876.14	764.60
Loans	32,059.28	35,011.46	32,059.28	35,011.46
Cash and Cash Equivalents	5.86	135.69	5.86	135.69
Other Bank Balances	15.17	0.04	15.17	0.04
Other Financial Assets	4,082.95	1,848.71	4,082.95	1,848.71
Total	**43,039.40**	**37,760.50**	**43,039.40**	**37,760.50**
Financial Liabilities				
Amortised cost				
Borrowings	85,440.25	94,495.95	85,440.25	94,495.95
Trade Payables	622.79	582.55	622.79	582.55
Creditors for Capital Goods	265.92	1,137.29	265.92	1,137.29
Security Deposits	401.30	385.68	401.30	385.68
Financial guarantee obligations	1,965.81	2,797.71	1,965.81	2,797.71
Other financial liabilities	12,746.94	4,209.68	12,746.94	4,209.68
Total	**1,01,443.01**	**1,03,608.86**	**1,01,443.01**	**1,03,608.86**

(ii) Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

(a) The Company assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) The fair values for loans to subsidiaries, security deposits and other financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(c) The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(d) Equity Investments in subsidiaries are stated at cost.

(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.

Notes to the financial statements for the year ended 31st March, 2019

(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.

63 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, 2019**	**As at 31st March, 2018**
Total Debts	97,203.35	97,796.06
Total Equity	1,71,515.57	1,64,914.64
Total debt to equity ratio (Gearing ratio)	**0.57**	**0.59**

Notes:-

(i) Debt is defined as long term and short term borrowings including current maturities of borrowings and interest accrued.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

Debt Covenants
Under the terms of Restructuring Agreement (RA), the Company is required to comply with following financial covenants:

Without prior approval of lender, the Company shall not:

(a) **Loans, debenture & charge -** Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.

(b) **Dividend on equity shares -** declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA.

In order to achieve this overall objective, the capital management, amongst other thing, aims to ensure that it meets financial covenants attached to the interest bearing Loans and borrowings that define capital structure requirements, there have been breaches in the financial covenants of Interest bearing loans and borrowing in the current period and previous period.

The Company has not proposed any dividend in last three year in view of losses incurred.

Notes to the financial statements for the year ended 31st March, 2019

64 Revenue from contracts with customers (IND AS 115)

(a) 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. 28.

Revenue disaggregation by geography is as follows:

(₹ in Lakh)

Geography	Year Ended 31st March, 2019	Year Ended 31st March, 2018
India	13,139.98	8,542.02
Outside India	-	-
Total	**13,139.98**	**8,542.02**

Revenue disaggregation by timing of revenue recognition is as follows:

(₹ in Lakh)

Geography	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Services transferred over time	5,972.11	8,541.56
Consideration on Lease of Land	7,167.87	0.46
Total	**13,139.98**	**8,542.02**

Reconciliation of Revenue from Operation with contract price:

(₹ in Lakh)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Contract Price	14,916.99	8,799.67
Reduction towards credit note issued to subsidiary	1,777.01	257.65
Revenue from Operations	**13,139.98**	**8,542.02**

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, 2019 amounts to ₹ 7,109.59 Lakh as per Lease deed. The remaining performance obligation are affected by several factors including Panvel storage revenue, cash flow cover, collections within 90 days or mutually agreed. The management of the Company expects that 35% of the unsatisfied performance obligation will be recognised as revenue during the next reporting period amounting to ₹ 2,500.00 Lakh with balance in future two reporting periods thereafter.

(b) Transitional Provision - IND AS 115 - Revenue from Contracts with Customer

The Ministry of Corporate Affairs (MCA) on 28th March, 2018 notified Ind AS 115 "Revenue from contracts with customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018 and the same is effective for accounting period beginning on or after 1st April, 2018. The Company has applied modified retrospective approach in adopting the new standard and accordingly, the revenue from operations for the year ended 31st March, 2019 is not comparable with the previous year. As a results of change in accounting policies, adjustments to the transition provision has been made in respective item as at 1st April, 2018 with corresponding Impact to equity. Details of changes made in item along with equity have given in below table.

Particulars	₹ in Lakh
Other Financials assets	
Unbilled Revenue	390.41
Net Impact on other equity (Increase)	**390.41**

Notes to the financial statements for the year ended 31st March, 2019

65 The Company's borrowings have been assigned by bankers to an ARC under CDR package and restructured with NBFC. The ARC and NBFC have charged penal interest/ interest amounting to ₹ 1,303.42 lakh upto the year ended March 31, 2018, which was not accepted by the Company and hence is under negotiation. In light of audit qualifications in previous year as a matter of prudence, the Company has recognised the said interest/penal interest and has accordingly restated the finance cost and other consequential impacts in the year ended March 31, 2018.

Further, during the year ended March 31, 2018 reported figure of finance cost, other Equity and Interest accrued and due on borrowings was ₹ 12,458.52 lakh, ₹ 1,61,263.30 lakh and ₹ 104.43 lakh respectively. Restated figures of finance cost, other equity and Interest accrued and due on Borrowings are ₹13,761.94 lakh, ₹ 1,59,959.88 lakh and ₹1,407.85 lakh respectively. Earning Per Share (EPS) also recalculated based on the restated figures.

66 The Company has sent request letters/ emails to various Parties for confirmations of balances under borrowings, trade receivables and capital advances given to vendors and trade payables etc., to which only few parties have responded. Accordingly, impact of adjustment, if any, will be accounted as and when the same is determinable or accounts are reconciled/settled.

67 Previous year's figures have been regrouped / restated / rearranged wherever necessary.

Significant to notes forming financial statements

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 27th May, 2019

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP: Accounts & Finance

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, 2019, 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 of in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31st March, 2019, 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 note no. 47 of the consolidated financial statements, a subsidiary company failed to make payment as prescribed as per one time settlement with lenders. 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 and provided for additional interest. Had the subsidiary company reversed the gain recorded and provided for additional interest, exceptional item would have been lower by ₹ 6604.55 Lakh and finance cost would have been higher ₹ 3500.76 Lakh having consequential impact on total comprehensive income, liabilities and other equity.*

3. 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 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 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.

Emphasis of Matters

4. We draw attention to the note no. 70 of the consolidated financial statement, regarding the balance confirmations of borrowings, trade receivables, capital advances, trade payables and loans and advances. During the course of preparation of consolidated financial statements, e-mails/letters have been sent to various parties by the respective companies with a request to confirm their balances directly to us out of which only few parties have responded, accordingly, the possible adjustment, if any, required in the consolidated financial statements is presently not determinable. Our Opinion is not modified in respect of the above said matters.

Material Uncertainty Related to Going Concern (related to one of the subsidiary company)

5. We draw attention to the note no. 41 of the consolidated financial statement, which indicates that Arshiya Rail Infrastructure Limited (ARAIL), a wholly owned subsidiary, incurred a net loss of ₹ 41,83.51 Lakh during the year, ended 31st March 2019 and, as of that date, the ARAIL's current liabilities exceeded its current assets by ₹ 294,49.72 Lakh, it is unable to meet its financial obligations and as of that date it's accumulated losses is resulting in negative net worth. These conditions, along with other matters as set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about ARAIL's ability to continue as a going concern. Arshiya Limited, the Parent Company, has given a support letter to extend, for the foreseeable future, any financial support which may be required by ARAIL. Further, in view of various steps taken by the

management, future outlook as assessed by the management and the business plans and in lieu of the support letter from the Parent Company, the management has assessed ARAIL continues to be going concern. Our opinion is not modified in respect of the said matter.

Key Audit Matters

6. 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 period. 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*, Emphasis of Matters, 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, Arshiya Rail Infrastructure Limited and Arshiya Industrial & Distribution Hub 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. Further, risks identified by the Company in that area relates to Income tax demand, claims against the company not acknowledged as debts. 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. 37.1 (a to e) and 41(b)]. 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 respective company's management on the development in theses litigations during the year ended 31st March, 2019. • 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. • Obtaining representation letter from the respective company's management on the assessment of those matters as per SA 580 (revised) - written representations.
2.	**Classification of land from property, plant and equipment to inventory**	
	The Holding Company is engaged in the business of development, operations and maintenance of free trade and warehouse zone and domestic warehouse zone and value added services. It owns SEZ notified land parcels at Sai Village, Panvel. Vacant land is available for future development. During the year, the company has identified 45.52 Acres land for warehousing development in future, where upon the Holding company can develop / lease on the said land area which can be leased / sub-leased to its co-developer. The cost of said land amounting to ₹ 19,089.31 Lakh is classified from property, plant and equipment to land under inventory. After classification to inventory, the Holding Company have executed lease agreement with subsidiary company and transferred this land for 30 years and remaining cost of land is disclosed in Note No. 11 as inventory. Considering the nature of business and its classification of land from property plant and equipment to inventory and transfer of certain portion of land is significant, hence the during the year, it is considered as Key Audit Matter. (Refer note no. 43)	Our audit procedures included following:- • Discussion with the management and obtaining an understanding of the same. • Read the minutes of meeting of audit committee and Board of Directors wherein it's classification from property, plant and equipment to inventory is approved. • Verification that the accounting and /or disclosure as the case may be in the consolidated 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.

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

7. 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 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.

   If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

   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

8. 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 eh 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.

9. 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 system 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 period 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 4 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 12,598.55 Lakhs as at 31st March, 2019, total revenues of ₹ 12,324.35 Lakhs and net cash flows amounting to ₹ 63.12 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by Deloitte Haskins and Sells LLP, Chartered Accountants (Firm registration no. 117366W/W-100018) 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 consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, 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, 2019, 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, 2019 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 Arshiya Rail Infrastructure Limited;

(g) With respect to the adequacy of the internal financial controls over financial reporting 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) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the parent 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 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, 2019 on the consolidated financial position of the Group – Refer Note no. 37.1 (a to e) and 41(b) 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, 2019 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, 2019.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No. 101720W//W100355

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: 27/05/2019

"Annexure A" to the Independent Auditor's 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 2019.

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, 2019 we have audited the internal financial controls over financial reporting 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 over financial reporting criteria established by these Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's and subsidiaries which are incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company and its subsidiaries which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting 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.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiaries which are companies incorporated in India, insofar as it relates to, three Subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India. Our opinion is not modified in respect of the said matter.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No. 101720W//W100355

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: 27/05 /2019

Consolidated Balance Sheet as at 31st March, 2019

(₹ in Lakh)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	7	2,58,156.00	2,82,377.19
(b) Capital Work-in-Progress		79.62	-
(c) Goodwill		19.17	19.17
(d) Intangible Assets	8	4,124.96	5,036.75
(e) Intangible Assets Under Development		82.21	-
(f) Financial Assets			
(i) Other Financial Assets	9	1,790.02	1,732.58
(g) Other Non-Current Assets	10	6,212.59	4,822.26
		2,70,464.57	**2,93,987.95**
Current assets			
(a) Inventories	11	16,505.97	15.66
(b) Financial Assets			
(i) Trade Receivables	12	4,266.17	2,742.67
(ii) Cash and Cash Equivalents	13	990.56	1,285.84
(iii) Bank Balances Other than (ii) above	14	401.38	498.54
(iv) Loan	15	325.12	-
(v) Other Financial Assets	16	8,876.64	12,804.30
(c) Other Current Assets	17	3,950.30	4,289.67
		35,316.14	**21,636.68**
Total Assets		**3,05,780.71**	**3,15,624.63**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	18	4,872.29	4,564.34
(b) Other Equity	19	48,593.46	66,937.58
		53,465.75	**71,501.92**
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	20	1,26,152.68	1,40,059.93
(ii) Other Financial Liabilities	21	612.11	2,300.76
(b) Provisions	22	273.73	203.82
(c) Other Non-Current Liabilities	23	2,335.87	1,852.89
		1,29,374.39	**1,44,417.40**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	12,524.46	13,753.15
(ii) Trade Payables	25		
Micro and small enterprises		84.90	18.11
Others		2,494.36	1,779.68
(iii) Other Financial Liabilities	26	1,02,861.88	79,930.84
(b) Other Current Liabilities	27	4,430.03	3,682.01
(c) Provisions	28	25.85	22.43
		1,22,421.48	**99,186.22**
Total Equity and Liabilities		**3,05,780.71**	**3,15,624.63**
Notes to the financial statements	**1 to 71**		

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: 27th May, 2019

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer
and Group President

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP - Accounts & Finance

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in Lakh)

Particulars	Notes	Year Ended 31st March, 2019	Year Ended 31st March, 2018
INCOME			
Revenue from operations	29	28,937.38	25,906.69
Other income	30	2,460.09	1,665.19
Total Income (I)		**31,397.47**	**27,571.88**
EXPENSES			
Material handling, value optimisation services and other charges		1,047.75	1,211.35
Freight expenses	31	10,954.30	11,668.31
Terminal expenses		357.55	304.26
Other operating expenses		756.02	374.90
Warehouse storage charges		5,484.67	902.54
Employee benefits expense	32	3,806.85	3,634.54
Finance costs	33	27,559.39	31,598.39
Depreciation and amortization expense	34	9,419.56	10,171.76
Other expenses	35	3,929.29	4,047.50
Total Expenses (II)		**63,315.38**	**63,913.55**
Profit/(loss) before exceptional items and tax (I-II)		**(31,917.91)**	**(36,341.67)**
Exceptional Items (net)	36	(5,167.04)	(39,473.20)
Profit/(loss) before tax		**(26,750.87)**	**3,131.53**
Tax expense:	**63**		
Current tax		6.88	-
Adjustment of tax relating to earlier periods		0.10	27.42
Profit/(loss) for the year		**(26,757.85)**	**3,104.11**
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans		(28.57)	(9.67)
Other Comprehensive income for the year		**(28.57)**	**(9.67)**
Total Comprehensive Income for the year		(26,786.42)	3,094.44
Profit for the year attributable to:			
Equity holders of the parent		(26,757.85)	3,104.11
Non-controlling interests		-	-
		(26,757.85)	**3,104.11**
Other comprehensive income for the year attributable to:			
Equity holders of the parent		**(28.57)**	**(9.67)**
Non-controlling interests		-	-
		(28.57)	**(9.67)**
Total comprehensive income for the year attributable to:			
Equity holders of the parent		(26,786.42)	3,094.44
Non-controlling interests		-	-
		(26,786.42)	**3,094.44**
Earning per share (face value of ₹ 2 each)	62		
Basic and Diluted		(11.24)	1.70
Notes to the financial statements	1 to 71		

As per our report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

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

Vijay Napawaliya
Partner
Membership Number: 109859

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer
and Group President

Place: Mumbai
Date: 27th May, 2019

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP - Accounts & Finance

Consolidated Statement of changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital (Refer Note No. 18)

Particulars	₹ in Lakh
Equity Shares of ₹ 2 each issued, subscribed and paid up	
As at 31st March, 2017	3,123.59
Issue of Equity Shares	1,440.75
As at 31st March, 2018	**4,564.34**
Issue of Equity Shares	307.95
As at 31st March, 2019	**4,872.29**

B. Other Equity (Refer Note No. 19) (₹ in Lakh)

Particulars	Other Reserve					Reserves and Surplus			Total
	Share application money pending allotment	Money received against share warrants	Equity Component of 0% Optionally Convertible Preference shares (OCRPS)	Capital Reserve	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings	
Balances as on 31st March, 2017	**18,766.71**	**-**	**88,620.84**	**1.58**	**124.80**	**79,617.43**	**940.18**	**(1,59,750.24)**	**28,321.30**
Profit/(loss) for the year	-	-	-	-	-	-	-	3,104.11	3,104.11
Other comprehensive income	-	-	-	-	-	-	-	(9.67)	(9.67)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,094.44**	**3,094.44**
On issue of equity shares	(18,766.71)	-	(41,068.97)	-	-	95,278.86	-	-	35,443.18
Money received against share warrants		860.25	-	-	-	-	-	-	860.25
Transaction costs on issue of equity shares	-	-	-	-	-	(37.62)	-	-	(37.62)
Others (net)	-	-	-	-	-	-	-	(1,134.38)	(1,134.38)
Conditional Lease rent								390.41	390.41
Balances as at 31st March, 2018	**-**	**860.25**	**47,551.87**	**1.58**	**124.80**	**1,74,858.67**	**940.18**	**(1,57,399.77)**	**66,937.58**
Profit/(loss) for the year	-	-	-	-	-	-	-	(26,757.85)	(26,757.85)
Other comprehensive income	-	-	-	-	-	-	-	(28.57)	(28.57)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(26,786.42)**	**(26,786.42)**
Money received against share warrants	-	15.00	-	-	-	-	-	-	15.00
On issue of equity shares	-	(875.25)	(47,551.87)	-	-	58,213.49	-	-	9,786.37
Others (net)	-	-	-	-	-	-	-	(1,359.07)	(1,359.07)
Balances as at 31st March, 2019	**-**	**-**	**-**	**1.58**	**124.80**	**2,33,072.16**	**940.18**	**(1,85,545.26)**	**48,593.46**

Notes to the financial statements 1 to 71

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: 27th May, 2019

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
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Independent Director
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and Group President

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP - Accounts & Finance

Consolidated Cash Flow Statement for the year ended 31st March, 2019

(₹ in Lakh)

Particulars		Year Ended 31st March, 2019	Year Ended 31st March, 2018
Cash flow from operating activities			
Profit/(Loss) before tax		**(26,750.87)**	**3,131.53**
Adjustments for:			
Bad debts		45.81	101.54
Sundry balances written back (net)		(931.35)	(452.89)
Discarding/written off of Property, plant and equipment and Intangible assets		166.34	-
(Gain)/loss on disposal of Property, plant and equipment		(0.03)	515.64
(Gain) on monetization of Property, plant and equipment (Refer Note No. 59)		-	(15,633.29)
Provision for doubtful debts/Expected credit loss		112.65	(52.12)
Excess provision written back		-	(463.14)
Reconciliation of loan accounts (net)		-	(562.39)
Settlement of claims		(5,167.04)	(19,478.47)
Depreciation and amortization expense		9,419.56	10,171.76
Interest expense		27,559.39	31,598.39
Government grant income		(365.49)	(365.49)
Financial guarantee income		(227.88)	(2.57)
Financial assets carried at amortised cost		(193.06)	-
Gain on derecognised of Liability Component		(653.17)	-
Interest income		(39.72)	(54.23)
Dividend income		-	(0.60)
Foreign exchange differences (net)		43.21	(105.30)
Operating profit before working capital changes		**3,018.35**	**8,348.37**
Adjustments for :			
Change in inventories		15.66	0.07
Derease/(Increase) in financial and other assets		1,058.89	(16,518.65)
Decrease in financial and other liabilities		(2,152.32)	(5,280.32)
Cash generated from operations		**1,940.58**	**(13,450.53)**
Direct taxes paid		(545.51)	(516.00)
Net cash flow from operating activities	**(A)**	**1,395.07**	**(13,966.53)**
Cash flow from investing activities			
Purchase of property, plant and equipment		(779.90)	(4,589.07)
Purchase of intangible assets		-	(2,239.00)
Purchase of Capital work in progress and Intangible assets under development		(71.18)	-
Proceeds from sale of property, plant and equipment		2.51	95.23
Proceeds from monetization of property, plant and equipments		-	43,400.00
Capital advances		(1,089.41)	(49.23)
Dividend income		-	0.60
Interest received		39.72	54.23
Net cash flow from investing activities	**(B)**	**(1,898.26)**	**36,672.76**
Cash flow from financing activities			
Issue of Equity shares (including security premium)		-	15,268.39
Money received against share warrants		15.00	860.25
Proceeds from non-current borrowings		5,571.82	3,200.00

Particulars		Year Ended 31st March, 2019	Year Ended 31st March, 2018
Repayment of non-current borrowings		(2,550.04)	(36,864.72)
Short-term borrowings (net)		(1,228.69)	6,755.45
Unpaid Dividend transfer to IEPF A/c		(0.04)	-
Interest paid		(1,697.30)	(10,993.44)
Net cash flow from financing activities	**(C)**	**110.75**	**(21,774.07)**
Net (decrease)/increase in cash and cash equivalents (A + B + C)		**(392.44)**	**932.16**
Cash and cash equivalents as at the beginning of the year		1,784.38	852.22
Cash and cash equivalents as at the end of the year (Refer Note No. 13 and 14)		**1,391.94**	**1,784.38**

Change in liabilities arises from financing activities **(₹ in Lakh)**

Particulars	Long term Borrowings	Short term Borrowings
As at 1st April, 2018	1,76,462.68	13,753.15
Less: Transaction cost	714.67	-
Less: Conversion of Liability Component of Compound Financial Instruments (OCRPS) into Equity	(10,342.61)	-
Add: Non cash items	(73.69)	-
Add/Less: Cash flow	3,021.78	(1,228.69)
As at 31st March, 2019	1,69,782.83	12,524.46

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 71

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: 27th May, 2019

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

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Chairman and Managing Director
DIN: 00226355

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Chief Financial Officer
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Company Secretary

Dinesh Kumar Sodani
VP - Accounts & Finance

Notes to the Consolidated financial statements for the year ended 31st March, 2019

1 Corporate Information

Arshiya Limited (hereinafter referred to "the Parent Company" or "the Company") together with its subsidiaries (collectively referred to as "Group") is a flagship Company of Arshiya Group. It is pioneering Unified Supply Chain and integrated logistics infrastructure solution provider Group headquartered in India. The group businesses comprises of Free Trade and Warehousing Zone (FTWZ), Rail & Rail Infrastructure, Industrial and Distribution hubs, Indian Container Depot (ICD), Domestic Warehousing, Forwarding, Transport & Handling, Supply Chain technology and Management solutions.

These statements comprises of Consolidated Financial Statements ("CFS") of Arshiya limited (CIN: L93000MH1981PLC024747) and its subsidiaries for the year ended 31st March, 2019. The Company is a public company domiciled in India and is incorporated on 3rd July, 1981 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

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

The Consolidated Financial Statements for the year ended 31st March, 2019 were approved and adopted by board of directors in their meeting held on 27th May, 2019.

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, 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, 2019. 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, 2019

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:		**31st March, 2019**	**31st March, 2018**
(i)	Arshiya Rail Infrastructure Limited (ARIL)	India	100%	100%
(ii)	Arshiya Northern FTWZ Limited (ANFL)	India	100%	100%
(iii)	Arshiya Industrial & Distribution Hub Limited (AIDHL)	India	100%	100%
(iv)	Arshiya Lifestyle Limited (ALL)	India	100%	100%
(v)	Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited) (ALSL) (w.e.f. 13th June, 2017)	India	100%	100%
(vi)	Arshiya Transport and Handling Limited (ATHL)	India	100%	100%
(vii)	Arshiya Technologies (India) Private Limited (ATIPL)	India	100%	100%
(viii)	Laxmipati Balaji Supply Chain Management Private Limited (LBSCM) (w.e.f 7th May, 2018)	India	100%	Nil
(ix)	Anomalous Infra Private Limited (AIPL) (w.e.f. 15th October, 2018)	India	100%	Nil
(x)	Arshiya Infrastructure Developers Private Limited (AIDPL) (w.e.f. 9th January, 2019)	India	100%	Nil
(xi)	Unrivalled Infrastructure Private Limited (UIPL) (w.e.f. 7th January, 2019)	India	100%	Nil
(xii)	Arshiya Northern Projects Private Limited (ANPPL) (w.e.f. 25th October, 2018)	India	100%	Nil
(xiii)	Mira Supply Chain Management Private Limited (formerly known as Arshiya Supply Chain Management Private Limited) (ASCM) (up to 21st March, 2018)	India	Nil	Nil
	Indirect Subsidiaries:			
	Held through Arshiya Logistics Services Limited:			
(xiv)	Arshiya 3PL Services Private Limited (w.e.f. 27th August, 2018)	India	100%	Nil
	Held through Arshiya Rail Infrastructure Limited:			
(xv)	Ascendas Panvel FTWZ Limited (formerly known as Arshiya Rail Siding and Infrastructure Limited) (APFL) (up to 3rd February, 2018)	India	Nil	Nil

4 **Consolidation procedure:**

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The difference between the cost of investment in the subsidiaries and the Parent's share of net assets at the time of acquisition of control in the subsidiaries is recognised in the consolidated financial statement as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.

(c) Intra-Group balances and transactions, and any unrealized income and expenses arising from intra Group transactions, are eliminated in preparing the consolidated financial statements.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(d) Consolidated statement of Profit and Loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(e) For the acquisitions of additional interests in subsidiaries, where there is no change in the control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests, the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit and loss. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(f) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

(g) Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, if any, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

(h) In the case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average exchange rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Components of equity are translated at closing rate. Any gain / (Loss) on exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve (FCTR) through OCI.

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

5 Significant Accounting Policies

5.1 Property, Plant and Equipment

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

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

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

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

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

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

Notes to the Consolidated financial statements for the year ended 31st March, 2019

5.2 Intangible Assets

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

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

Railways License fees is amortized over a period of twenty years being the license period as per agreement.

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

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

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

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

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

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

The Group as a lessee

(a) Finance lease

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

(b) Operating lease

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

The Group as a lessor

(a) Finance lease

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

The lessor derecognises the leased assets and recognises the difference between the carrying amount of the leased assets and the finance lease receivable in the consolidated statement of Profit and Loss when recognising the finance lease receivable.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

This gain or loss is presented in the consolidated statement of Profit and Loss in the same line item as that in which the lessor presents gains or losses from sale of similar assets.

(b) Operating lease

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

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

5.4 Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories comprises of cost of 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.

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).

Notes to the Consolidated financial statements for the year ended 31st March, 2019

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.

Financial assets - Derecognition

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

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

(iii) Financial liabilities - Initial recognition and measurement:

The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts future 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.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

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 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.

“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).

Trade Receivables

A receivable represents the Group’s right to an amount of consideration that is unconditional.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

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.

(a) Free Trade Warehousing Zone (FTWZ)

(i) Income from allotment of warehousing spaces and open yard area for use are recognised for the period the material is lying in area as per agreed terms.
(ii) Revenue from valued services and other activities is recognised when related services are performed as per the contractual terms.
(iii) Export benefits under Foreign Trade Policy are recognised when utilized.

(b) Inland Container Depot (ICD)

(i) Income from Container handling, storage and Rail and Road transportation are recognised on proportionate completion of the movement and delivery of goods to the party/designated place.

(ii) Income from ground rent is recognised for the period the container is lying in the ICD area.

(c) Rail Transport Operations

(i) Revenue from sale of services e.g. rail freight income is recognized as per the terms of contracts with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

(ii) Measurement of revenue: Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(iii) Revenue from handling and other ancillary services is recognised at the time of rendering of service which is at the time of loading/unloading of container/cargo.

(d) 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.

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.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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

5.12 Employee benefits

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

(a) Defined Contribution Plan

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

(b) Defined Benefit Plan

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

Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the consolidated

Notes to the Consolidated financial statements for the year ended 31st March, 2019

statement of profit and loss and shown as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

5.14 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.

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.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

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
(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 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.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

5.23 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.

6 Significant accounting judgements, estimates and assumptions

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

The Group based on its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

6.1 Property, plant and equipment and Intangible Assets

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

6.2 Income Tax

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

6.3 Contingencies

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

6.4 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Group

Notes to the Consolidated financial statements for the year ended 31st March, 2019

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.

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 Recent accounting pronouncements:

Standards Issued But Not Effective

On 31st March, 2019, the Ministry of Corporate Affairs (MCA) has notified IND AS 116 – Leases and certain amendment to existing IND AS. These amendments shall be applicable to the Group from 1st April, 2019.

(a) Issue of IND AS 116 - Lease

Ind AS 116 will supersede the current standard on leases i.e. IND AS 17- Leases. As per IND AS 116, the lessor will have to bring to books all the non-cancellable portion of leasing arrangement.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(b) Amendment to existing standards

The MCA has also carried out amendments of the following accounting standards

(i) IND AS 101- First time adoption of Indian Accounting Standards
(ii) IND AS 103 - Business Combinations
(iii) IND AS 109 - Financial Instruments
(iv) IND AS 111 - Joint Arrangements
(v) IND AS 12 - Income Taxes
(vi) IND AS 19 - Employee Benefits
(vii) IND AS 23 - Borrowing Costs
(viii) Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Consolidation financial statements.

7. Property, Plant and Equipment **(₹ in Lakh)**

Particulars	Freehold Land	Buildings	Railway Terminal	Plant and Equipments	Furniture and Fixtures	Vehicles	Equipments	Computers	Leasehold Improvements	Total
Gross Carrying Value (at deemed cost)										
As at 31st March, 2017	**1,54,665.44**	**1,13,376.41**	**14,283.94**	**38,595.29**	**1,852.06**	**97.07**	**2,390.81**	**240.86**	**33.37**	**3,25,535.25**
Additions	4,460.81	-	49.60	40.92	-	-	37.74	-	-	4,589.07
Disposals	(9,337.96)	(17,202.94)	-	(1,588.05)	(871.94)	-	(705.64)	(9.17)	-	(29,715.70)
Other Adjustments	-	-	-	(8.32)	-	8.32	-	-	-	-
As at 31st March, 2018	**1,49,788.29**	**96,173.47**	**14,333.54**	**37,039.84**	**980.12**	**105.39**	**1,722.91**	**231.69**	**33.37**	**3,00,408.62**
Additions	2,583.34	608.20	55.03	62.37	22.11	13.96	19.97	18.58	161.15	3,544.71
Disposals	-	-	-	(1.35)	(116.13)	(23.61)	(38.15)	(43.00)	(33.37)	(255.61)
transfer to Inventories	(19,089.31)	-	-	-	-	-	-	-	-	(19,089.31)
As at 31st March, 2019	**1,33,282.32**	**96,781.67**	**14,388.57**	**37,100.86**	**886.10**	**95.74**	**1,704.73**	**207.27**	**161.15**	**2,84,608.41**
Accumulated Depreciation										
As at 31st March, 2017	**-**	**3,751.87**	**1,154.50**	**3,809.09**	**304.46**	**25.54**	**936.75**	**85.55**	**18.23**	**10,085.99**
Depreciation for the year	-	3,696.23	1,157.25	3,791.05	276.55	20.84	432.25	70.80	4.90	9,449.87
Disposals	-	(539.43)	-	(298.41)	(266.57)	-	(394.72)	(5.30)	-	(1,504.43)
As at 31st March, 2018	**-**	**6,908.67**	**2,311.75**	**7,301.73**	**314.44**	**46.38**	**974.28**	**151.05**	**23.13**	**18,031.43**
Depreciation for the year	-	3,397.64	1,159.96	3,669.17	137.24	15.11	159.16	22.87	4.00	8,565.15
Disposals	-	-	-	(0.31)	(60.07)	(19.55)	(19.18)	(21.93)	(23.13)	(144.17)
As at 31st March, 2019	**-**	**10,306.31**	**3,471.71**	**10,970.59**	**391.61**	**41.94**	**1,114.26**	**151.99**	**4.00**	**26,452.41**
Net Carrying value as at 31st March, 2019	**1,33,282.32**	**86,475.36**	**10,916.86**	**26,130.27**	**494.49**	**53.80**	**590.47**	**55.28**	**157.15**	**2,58,156.00**
Net Carrying value as at 31st March, 2018	**1,49,788.29**	**89,264.80**	**12,021.79**	**29,738.11**	**665.68**	**59.01**	**748.63**	**80.64**	**10.24**	**2,82,377.19**

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 45.52 Acres amounting to ₹ 19,089.31 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, 2019.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

8. Intangible Assets (₹ in Lakh)

Particulars	Trade Mark	Computer Software	Rail License Fees	Total
Gross Carrying Value (at deemed cost)				
As at 31st March, 2017	**0.49**	**1,036.94**	**3,208.33**	**4,245.76**
Additions	-	2,239.00	-	2,239.00
Deductions	-	(235.50)	-	(235.50)
As at 31st March, 2018	**0.49**	**3,040.44**	**3,208.33**	**6,249.26**
Additions	-	-	-	-
Deductions	-	(116.94)	-	(116.94)
As at 31st March, 2019	**0.49**	**2,923.50**	**3,208.33**	**6,132.32**
Accumulated Amortisation				
As at 31st March, 2017	**0.20**	**448.31**	**250.00**	**698.51**
Amortisation for the year	0.17	471.88	249.84	721.89
Deductions	-	(207.89)	-	(207.89)
As at 31st March, 2018	**0.37**	**712.30**	**499.84**	**1,212.51**
Amortisation for the year	-	604.57	249.84	854.41
Deductions	-	(59.56)	-	(59.56)
As at 31st March, 2019	**0.37**	**1,257.31**	**749.68**	**2,007.36**
Net Carrying value as at 31st March, 2019	**0.12**	**1,666.19**	**2,458.65**	**4,124.96**
Net Carrying value as at 31st March, 2018	**0.12**	**2,328.14**	**2,708.49**	**5,036.75**

(₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non- Current Financial Assets		
9. Other Financial Assets		
Security deposits	1,790.02	1,732.58
Total	**1,790.02**	**1,732.58**
Non-Current Assets		
10. Other Non- Current Assets		
Capital Advances		
Considered good	1,964.05	965.29
Considered doubtful	1,395.00	1,395.00
	3,359.05	**2,360.29**
Less: Provision for impairment	(1,395.00)	(1,395.00)
	1,964.05	**965.29**
Security deposits	59.39	60.89
Prepaid expenses	1,054.33	1,190.39
TDS receivables/Taxes paid	3,129.68	2,601.82
Service tax paid under protest	5.14	3.87
Total	**6,212.59**	**4,822.26**

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars		As at 31st March, 2019	As at 31st March, 2018
Current Assets			
11. Inventories			
(Valued at lower of Cost and Net Realisable value)			
Stores and spares		-	15.66
Land		16,505.97	-
	Total	**16,505.97**	**15.66**
Current Financial Assets			
12. Trade Receivables			
Secured, Considered good		210.77	2,742.67
Unsecured, Considered good		4,055.40	-
Trade Receivables which have significant increase in credit risk		183.90	71.25
Less: Provision for expected credit losses		(183.90)	(71.25)
	Total	**4,266.17**	**2,742.67**
13. Cash and Cash Equivalents			
Balances with banks:			
- in current accounts #		982.11	1,278.68
Cash on hand		8.45	7.16
	Total	**990.56**	**1,285.84**

Cash and cash equivalents as at 31st March, 2019 comprises of restricted bank balances held in escrow account with bank amounting to ₹ 803.81 Lakh (31st March, 2018 - ₹744.85 Lakh). This account can only be operated with the specific permission / instruction in terms of the Escrow Agreement entered into by the Parent Company, ALL and ALSL with Ascendas Panvel FTWZ Limited (formerly known as Arshiya Rail Siding and Infrastructure Limited (APFL).

(₹ in Lakh)

Particulars		As at 31st March, 2019	As at 31st March, 2018
14. Other Bank Balances			
Deposits with banks to the extent held as margin money		373.29	457.68
Interest accrued on fixed deposit		28.09	40.82
Unpaid dividends		-	0.04
	Total	**401.38**	**498.54**
15. Loan			
Unsecured, considered good unless otherwise stated			
Loan to other		325.12	-
Total		**325.12**	**-**
16. Other Financial Assets			
Security deposits		3,251.26	9,418.61
Unbilled revenue		2,508.27	390.41
Margin money with Lender*		170.00	170.00
Interest accrued on fixed deposits		5.45	-
Other recoverables		2,941.66	2,825.28
	Total	**8,876.64**	**12,804.30**
* To be adjusted at time of final settlement			

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
17. Other Current Assets		
Advances to suppliers	84.85	290.22
Advances to employees	2.87	16.58
Other advances	146.04	30.05
Prepaid expenses	350.00	315.10
TDS receivables/Taxes paid	10.67	-
Balances with Statutory, Government authorities (Refer Note No. 52)	3,355.87	3,537.72
Cash seized by Income Tax (Refer Note No 48)	-	100.00
Total	**3,950.30**	**4,289.67**
18. Share Capital		
Authorised		
(i) 24,75,00,000 (31st March, 2018 - 24,75,00,000) Equity Shares of ₹ 2 each	4,950.00	4,950.00
(ii) 1,10,00,000 (31st March, 2018 - 1,10,00,000) 0% Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each	1,100.00	1,100.00
Total	**6,050.00**	**6,050.00**
Equity Share Capital - issued, subscribed and fully paid		
24,36,14,292 (31st March, 2018 - 22,82,16,776) Equity shares of ₹ 2 each	4,872.29	4,564.34
Total	**4,872.29**	**4,564.34**

(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 on or after 20 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, 2019		As at 31st March, 2018	
	Number of Shares	₹ in Lakh	Number of Shares	₹ in Lakh
Balance as at the beginning of the year	22,82,16,776	4,564.34	15,61,79,472	3,123.59
Add: Issued during the year	1,53,97,516	307.95	7,20,37,304	1,440.75
Balance as at the end of the year	**24,36,14,292**	**4,872.29**	**22,82,16,776**	**4,564.34**

Notes to the Consolidated financial statements for the year ended 31st March, 2019

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of Shares	₹ in Lakh	Number of Shares	₹ in Lakh
Balance as at the beginning of the year	57,64,619	576.46	-	-
Add: Issued during the year	-	-	1,19,13,329	1,191.33
Less: Converted into equity shares during the year	(57,64,619)	(576.46)	(61,48,710)	(614.87)
Balance as at the end of the year	**-**	**-**	**57,64,619**	**576.46**

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

Name of the shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Number of equity shares	Percentage (%) shareholding	Number of equity shares	Percentage (%) shareholding
Archana A Mittal	8,85,59,788	36.35%	8,85,59,288	38.80%
Ajay S Mittal	3,85,61,437	15.83%	3,70,60,937	16.24%
Edelweiss Asset Reconstruction Company Limited (through various trusts)	5,95,59,820	24.45%	4,56,62,304	20.01%

(d) In Previous year ended 31st March, 2018 the Parent Company had allotted to the Promoter Directors 1,00,00,000 equity shares and 1,00,00,000 share warrants of ₹ 2 each at a premium of ₹58.35 per share on preferential basis pursuant to the Restructuring Agreement dated 31st March, 2017 and in terms of special resolution passed on 29th April, 2017 as per applicable provisions of Companies Act, 1956/Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulation. 85,00,000 share warrants out of 1,00,00,000 share warrants have been converted into Equity shares on 8th November, 2017.
During the year, the Parent Company has allotted 15,00,000 Equity Shares of face value of ₹2 each to the Promoter upon conversion of equal number of warrants.

(₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
19. Other Equity		
(i) Share Application money pending allotment		
Balances as at the beginning of the year	-	18,766.71
Less: On issue of Equity Shares	-	(18,766.71)
Balances as at the end of the year	**-**	**-**
(ii) Money Received against share warrants		
Balances as at the beginning of the year	860.25	-
Add: received during the year	15.00	860.25
Less: On issue of Equity Shares	(875.25)	-
Balances as at the end of the year	**-**	**860.25**
(iii) Equity Component of 0% Optionally Convertible Redeemable Preference shares (OCRPS)		
Balances as at the beginning of the year	47,551.87	88,620.84
Less: On issue of Equity Shares	(47,551.87)	(41,068.97)
Balances as at the end of the year	**-**	**47,551.87**

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(iv) Capital Reserve		
Balances as at the beginning and end of the year	1.58	1.58
(v) Amalgamation Reserve		
Balances as at the beginning and end of the year	124.80	124.80
Reserve and Surplus		
(vi) Securities Premium Account		
Balances as at the beginning of the year	1,74,858.67	79,617.43
Add: On issue of Equity Shares	58,213.49	95,278.86
Less: Share issue expenses/ Transaction cost	-	(37.62)
Balances as at the end of the year	**2,33,072.16**	**1,74,858.67**
(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	(1,57,399.77)	(1,59,750.24)
Add/Less: Profit/(Loss) for the year	(26,757.85)	3,104.11
Less: Other comprehensive loss	(28.57)	(9.67)
Less: Others (net)	(1,359.07)	(1,134.38)
Add: Conditional Lease rent	-	390.41
Balances as at the end of the year	**(1,85,545.26)**	**(1,57,399.77)**
Total (i to viii)	**48,593.46**	**66,937.58**

Nature and purpose of Reserve and Surplus:

(a) Securities Premium Account:

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

(b) General Reserve:

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

(c) Amalgamation Reserve:

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

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(d) Retained Earning:

Retained Earnings are the profit/(loss) of the Group earned till date net of appropriations.

(₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current Liabilities		
20. Borrowings		
Secured		
(a) Term Loans		
From Banks (Refer Note No. 20.1)	3,571.43	-
From Other Parties (Refer Note No. 20.2)	1,21,809.11	1,29,036.41
(b) Vehicles Loan from bank	9.52	-
Liability Component of Compound Financial Instruments (OCRPS)	762.62	11,023.52
Total	**1,26,152.68**	**1,40,059.93**

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

(20.1) Rupee Term loan from Banks:

20.1.1 Parent Company

(1) Rupee term loan of ₹ 3,193.29 Lakh (31st March, 2018 - ₹ 3,189.79 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

(i) Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in Bullet payment at the end of the tenure of loan i.e. 36 months.

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 6.71 Lakh (31st March, 2018 - ₹10.21 Lakh).

(2) Rupee term loan of ₹ 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.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(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 ₹ 19.17 Lakh.

(20.2) Rupee Term loans from Other Parties

20.2.1 Parent Company

(1) Rupee term loan of ₹ 59,513.25 Lakh (31st March, 2018 - ₹ 59,359.23 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:-

(₹ in Lakh)

Year	Loan from Others
FY 2017-18	5,671.09
FY 2021-22	14,001.46
FY 2022-23	40,404.50
Total	**60,077.05**

(d) The Parent Company has been in default for the repayment of principal amount of ₹ 5,671.09 Lakh. (31st March, 2018 - ₹ 5,671.09 Lakh).

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 563.80 Lakh (31st March, 2017 - ₹ 717.82 Lakh).

(2) Rupee term loan of ₹ 2,495.44 Lakh (31st March, 2018 - ₹ 2,672.34 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.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(c) The Parent Company has been in default for the repayment of principal amount of ₹ 670 Lakh. (31st March, 2018 - ₹428 Lakh)

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 199.56 Lakh (31st March, 2018 - ₹ 405.66 Lakh).

(3) **<u>Rupee term loan of ₹ 2,018.65 Lakh</u>:**

(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. 18 months.

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 81.35 Lakh.

<u>20.2.2 ARIL</u>

(1) **<u>Rupee term loan of ₹ 33,647.31 Lakh (31st March, 2018 - ₹ 33,502.36 Lakh)</u>:**

(a) **Securities provided**

(i) First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of ARIL both present and future on pari passu basis.
(ii) Second charge by way of hypothecation of the entire current assets of ARIL on pari passu basis.
(iii) Pledge of 100% equity shares of ARIL held by the Parent Company.
(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) **Terms of Interest rate:**
Rate of Interest is @ 10% p.a.compounded quarterly.

(c) **Terms of Repayment:-** **(₹ in Lakh)**

Year	Loan from Banks
FY 2019-2020	1,744.64
FY 2020-2021	6,139.19
FY 2021-2022	2,276.51
FY 2022-2023	23,954.16
Total	**34,114.50**

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 467.19 Lakh (31st March, 2018 - ₹ 612.14 Lakh).

Notes to the Consolidated financial statements for the year ended 31st March, 2019

20.2.3 ANFL

(1) Rupee term loan from Other Parties of ₹ 10,627.10 Lakh (31st March, 2018 - ₹ 10,447.22 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:- **(₹ in Lakh)**

Year	Loan from Banks
FY 2019-2020	2,113.15
FY 2020-2021	323.92
FY 2021-2022	3,385.55
FY 2022-2023	5,323.63
Total	**11,146.25**

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 519.15 Lakh (31st March, 2018 - ₹ 699.03 Lakh).

20.2.4 AIDHL

(1) Rupee term loan from Other Parties of ₹ 26,591.94 Lakh (31st March, 2018 - ₹ 26,589.56 Lakh):

(a) Security provided:

(i) First charge on all movable and immovable properties of AIDHL both present and future on pari passu basis.
(ii) First charge by way of hypothecation of the entire current assets of AIDHL on pari passu basis.
(iii) Pledge of 100% equity shares of AIDHL held by the Parent Company.
(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:
Rate of Interest is @ 10% p.a. compounded quarterly.

(c) Terms of Repayment:- (₹ in Lakh)

Year	Loan from Banks
FY 2019-2020	1,885.69
FY 2020-2021	4,034.74
FY 2021-2022	2,209.30
FY 2022-2023	18,470.27
Total	**26,600.00**

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 8.06 Lakh (31st March, 2018 - ₹ 10.44 Lakh).

Notes to the Consolidated financial statements for the year ended 31st March, 2019

20.3 Vehicle loans from Bank

Vehicle loans are secured by way of hypothecation of vehicles. Rate of interest is @ 8.55% p.a. and repayment tenure in monthly installment up to October 2023 and January 2024 respectively.

(₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
21. Other Financial Liabilities		
Financial Liabilities at amortised cost		
Security deposit from unit holders	377.71	358.37
Other financial liabilities	-	1,718.36
Financial guarantees obligations	-	224.03
Interest accrued but not due on borrowings	221.96	-
Advance warehouse rent	12.44	
Total	**612.11**	**2,300.76**
22. Provisions		
Provision for employee benefits (Refer Note No.40)		
Gratuity	171.95	123.76
Leave encashment	101.78	80.06
Total	**273.73**	**203.82**
23. Other Non-Current Liabilities		
Lease equalisation reserve	703.55	129.20
Government grants	1,632.32	1,723.69
Total	**2,335.87**	**1,852.89**
Current Financial Liabilities		
24. Borrowings		
Secured		
(a) Working Capital facility (Cash Credit from banks) (Refer Note No. 24.1)	263.30	263.34
(b) Loan from Other Parties (Refer Note No. 24.2)	12,024.05	11,474.05
Unsecured		
(a) Loans from Promoter Directors (Refer Note No. 24.3)	160.11	1,937.76
(b) Inter Corporate Deposits (Refer Note No. 24.4)	77.00	78.00
Total	**12,524.46**	**13,753.15**

24.1 Working capital facility (Cash Credit) from banks:

24.1.1 ANFL

(1) ₹ 263.30 Lakh (31st March, 2018 - ₹ 263.34 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, 2019

(c) ANFL has been in continuing default for the repayment of principal amount of ₹ 263.30 Lakh since FY 2014-15.

(24.2) Loan from Other Parties:

24.2.1 Parent Company

(1) Loan of ₹ 8,474.04 Lakh (31st March, 2018 - ₹ 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 principal amount of ₹ 8,474.04 Lakh (31st March, 2018 - ₹ Nil).

(2) Loan of ₹ 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 Company and wholly owned subsidiaries company.
- The above loans are secured by personal guarantees of one Promoter Director of the Parnet 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.

24.2.2 AIDHL

(1) Loan of ₹ 3,000.00 Lakh (31st March, 2018 - ₹ 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 AIDHL as per the Deed of Hypothecation.
(ii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(iii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of interest:
Rate of interest on said loan is @ 18% p.a.

(c) Terms of Repayment & Default:
Default in repayment of principal of Rupees 3,000.00 Lakh as at 31st March, 2019. The same has been recalled by the lender.

(24.3) Unsecured Loan from Promoter Directors:

(24.3.1) Parent Company
Loans from promoter directors of the Parent Company are interest free and repayable on demand.

(24.4) Unsecured Loan from Inter Corporate Deposits:

Notes to the Consolidated financial statements for the year ended 31st March, 2019

24.4.1 Parent Company

Intercorporate Deposit of ₹ 77 Lakh (31st March, 2018 - ₹ 77 Lakh) is interest free and repayable on demand.

24.4.2 ALL

Intercorporate Deposit of ₹ Nil (31st March, 2018 - ₹ 1 Lakh) is interest free and repayable on demand.

(₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
25. Trade Payables		
Micro and small enterprises (Refer Note No.39)	84.90	18.11
Others	2,494.36	1,779.68
Total	**2,579.26**	**1,797.79**

(₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
26. Other Financial Liabilities		
Financial Liabilities at amortised cost		
Current maturities of long term debts from banks	20,583.78	22,527.15
Current maturities of long term debts from other parties	23,044.57	13,875.60
Current maturities of vehicle loan	1.80	-
Interest accrued and due on borrowings	38,978.24	27,947.92
Interest accrued but not due on borrowings	10,411.84	4,569.33
Interest payable on delayed payments to MSMED creditors (Refer Note No.39)	2.56	0.22
Unclaimed dividends	-	0.04
Deposit from Unitholders	910.82	938.16
Financial guarantees obligations	10.55	-
Payable for capital goods	7,228.05	8,422.54
Dues to employees (including full and final settlement)	710.31	474.12
Payable for expenses	979.36	1,145.00
Other Payables	-	30.76
Total	**1,02,861.88**	**79,930.84**

26.1 Rupee Term Loan from Banks:

26.1.1 Parent Company

(1) Rupee Term loan - ₹ 1,472.84 Lakh (31st March, 2018 - ₹ 1,491.67 Lakh)

(a) Securities provided:

- Second charge on movable and immovable property, plant and equipments of the Parent Company, present and future on pari-passu.

(b) The above loan is secured by personal guarantees of two Promoter Directors of the Parent Company.

(c) Terms of Interest rate:
Rate of interest is @ 12% p.a.

(d) Terms of Repayment & Default:
The bank has been recalled loan of ₹ 1,472.84 Lakh (31st March, 2018 - ₹1,491.67 Lakh) and interest (including penal interest) of ₹ 178.98 Lakh (31st March, 2018 - ₹ 32.15 Lakh).

Notes to the Consolidated financial statements for the year ended 31st March, 2019

26.1.2 ARIL

(1) Rupee Term loan from Banks of ₹ 6,910.60 Lakh (31st March, 2018 - ₹ 8,931.30 Lakh):

(a) Securities provided

(i) First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of ARIL both present and future on pari passu basis.
(ii) Second charge by way of hypothecation of the entire current assets of ARIL on pari passu basis.
(iii) Pledge of 100% equity shares of the ARIL held by the Parent Company.
(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

(i) Rate of Interest is @ 10.45% p.a. - 16.25% p.a.

(c) Terms of Repayment:- **(₹ in Lakh)**

Year	Loan from Banks
FY 2012-2013	22.50
FY 2013-2014	75.00
FY 2014-2015	277.50
FY 2015-2016	3,695.60
FY 2018-2019*	2,840.00
Total	**6,910.60**

* Refer Note No. 48

(d) Details of default in repayment of principal on secured loans as on 31st March, 2019 are as follows:

(₹ in Lakh)

Year	Loan from Banks
FY 2012-2013	22.50
FY 2013-2014	75.00
FY 2014-2015	277.50
FY 2015-2016	3,695.60
FY 2018-2019	2,840.00
Total	**6,910.60**

The above loan has been recalled by Banks.

26.1.3 ANFL

(1) Rupee Term loans - ₹ 12,104.18 Lakh (31st March, 2018 - ₹ 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.
(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.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(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	604.22
FY 2013-2014	1,410.23
FY 2014-2015	1,680.76
FY 2015-2016	8,408.97
Total	**12,104.18**

(d) The Banks has been recalled loan of ₹ 12,104.18 Lakh (31st March, 2018 - ₹ 12,104.18 Lakh) and interest of ₹ 14,947.59 Lakh (31st March, 2018 - ₹ 11,638.50 Lakh).

Details of default in repayment of principal on secured loans as on 31st March, 2019 are as follows:

(₹ in Lakh)

Year	Loan from Banks
FY 2012-2013	604.22
FY 2013-2014	1,410.23
FY 2014-2015	1,680.76
FY 2015-2016	8,408.97
Total	**12,104.18**

(26.2) Term loans from Other Parties

26.2.1 Parent Company

(1) Loan of ₹ 5,000.00 Lakh (31st March, 2018 - ₹ 5,000.00 Lakh) (Refer Note No. 46)

Secured by first and exclusive charge on land situated at Village Butibori at Nagpur, Maharashtra. The said loan carries interest @ 20% p.a.

(2) Loan of ₹ 2,000.00 Lakh (31st March, 2018 - ₹ 1,951.52 Lakh) (Refer Note No. 45)

(i) Secured by first and exclusive charge on land situated at Khurja, Bulandshahr, Uttar Pradesh.
(ii) The Parent Company has been in default for the repayment of principal amount of ₹ 2,000 Lakh. (31st March, 2017 - ₹ 975 Lakh).
(iii) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2018 - ₹ 23.48 Lakh).

26.2.2 ARIL

(1) Rupee Term loans - ₹ 2,960.00 Lakh

(a) Securities provided:

(i) First pari passu charge on all present and future cash flows of ARIL.
(ii) First pari passu charge on all movable and immovable assets of ARIL.
(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.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(c) Terms of Repayment:- **(₹ in Lakh)**

Year	Loan from Others
FY 2022-2023	2,960.00

(d) The above loan has been recalled during the year.

26.2.2 ANFL

(1) Loan of Rupees Nil (31st March, 2018 - ₹ 200.00 Lakh):

(a) Securities provided:

(i) The above loan is secured by personal guarantees of two Promoter Directors of the Parent Company.
(ii) Charge on movable property has been registered and on immovable property i.e. land admeasuring 1.88 acres is to be registered.

(b) Terms of Interest rate:
Rate of interest is @ 11% p.a.

(26.3) Details of default in payment of interest on secured loans as on 31st March, 2019 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	4,406.91	3,737.82	8,144.73
FY 2018-2019	7,015.01	11,321.62	18,336.63
Total	**23,918.80**	**15,059.44**	**38,978.24**

(₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
27. Other Current Liabilities		
Advance received from Customers	333.50	-
Government Grants	365.49	639.61
Trade advances received	-	282.59
Other Advances	1.89	1.74
Statutory dues (Refer note below)	2,120.97	1,397.22
Interest on delayed payment of statutory dues	1,608.18	1,360.85
Total	**4,430.03**	**3,682.01**

Notes:

(1) Statutory dues included Tax deducted at sources (TDS), Provident Fund (PF), Profession Tax (PT) and Employee State Insurance Corporation (ESIC) .

(2) Based on recent Supreme court judgement on structure of component for calculation of Provident Fund dated February 28, 2019 there are various interpretive issues including its applicability thus prospective provision w.e.f. March 01, 2019 been considered of ₹ 1.36 lakhs.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

Government Grant **(₹ in Lakh)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	2,363.30	2,728.79
Income recognised during the year	(365.49)	(365.49)
Closing balance	**1,997.81**	**2,363.30**
Non-current liabilities	1,632.32	1,723.69
Current liabilities	365.49	639.61

(₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
28. Provision		
Provision for employee benefits (Refer Note No. 40)		
Gratuity	3.77	6.12
Leave encashment	22.08	16.31
Total	**25.85**	**22.43**

(₹ in Lakh)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
29. Revenue from Operations		
Sale of services		
Rail freight income	12,074.57	12,374.23
Storage income	8,623.97	8,422.96
Conditional Lease rent	2,500.00	-
Road freight income	2,506.21	1,906.23
Material handling and other services	2,864.45	815.18
Terminal income	233.63	175.40
Domestic warehousing income	121.00	20.00
Finance lease income	3.00	-
Other operating income	10.55	2,192.69
Total	**28,937.38**	**25,906.69**
30. Other Income		
Interest income on		
Bank fixed deposits	39.72	54.23
Loans to others	25.07	24.94
Others	8.54	61.13
Dividend income	-	0.60
Government grants	365.49	365.49
Financial guarantee income	227.88	2.57
Financial assets carried at amortised cost	193.06	-
Foreign exchange difference (net)	-	105.30
Provision for doubtful debts written back	-	109.61
Excess provision written back	-	463.14
Sundry balance written back	931.35	452.89
Gain on derecognised of Liability Component	653.17	-
Gain on disposal of Property, plant and equipment	0.03	-
Miscellaneous income	15.78	25.29
Total	**2,460.09**	**1,665.19**

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars		Year Ended 31st March, 2019	Year Ended 31st March, 2018
31. Freight Expenses			
Rail freight expenses		9,449.49	10,215.90
Road freight expenses		1,504.81	1,452.41
	Total	**10,954.30**	**11,668.31**
32. Employee Benefits Expense			
Salaries, wages and bonus		3,568.32	3,435.33
Contribution to provident and other funds		102.07	93.09
Staff welfare expenses		136.46	106.12
	Total	**3,806.85**	**3,634.54**
33. Finance Cost			
Interest expense on borrowings		25,951.79	30,647.03
Interest expense on statutory dues		315.67	707.04
Unwinded interest expense on security deposits		7.93	156.48
Interest expense on others		914.37	3.52
Interest expense on MSMED vendors (Refer Note No. 39)		4.01	0.25
Other borrowing costs		365.62	84.07
	Total	**27,559.39**	**31,598.39**
34. Depreciation and Amortisation Expense			
Depreciation on property, plant and equipment		8,565.15	9,449.87
Amortisation on intangible assets		854.41	721.89
	Total	**9,419.56**	**10,171.76**
35. Other Expenses			
Electricity charges		562.86	325.80
Rent		553.88	497.85
Repairs and maintenance:			
Building		160.77	809.46
Plant and Machinery		74.75	84.53
Others		132.88	135.36
Insurance		55.73	60.80
Rates and taxes		69.52	34.98
Communication expenses		73.55	73.24
Travelling and conveyance expenses		438.30	447.72
Vehicle expenses		94.38	102.69
Printing and stationery		49.64	44.20
Legal and professional fees		409.31	344.60
Security charges		415.37	392.09
Advertisement and Business Promotion expenses		73.35	198.08
Auditor's remuneration:			
- Audit Fees		137.69	104.79
- Limited Review Fees		15.00	18.25
- Certification fees		31.95	1.75
Provision for doubtful debts		112.65	57.49
Bad Debts		45.81	101.54
Foreign exchange differences (net)		43.21	-
Miscellaneous expenses		209.70	184.66
Director sitting fees		2.65	-
Discarding/written off of Property, plant and equipment and Intangible assets		166.34	27.62
	Total	**3,929.29**	**4,047.50**

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
36. Exceptional Items		
Reconciliation of loan accounts (net)	-	(562.39)
Settlement of claims	(5,167.04)	(19,478.47)
Loss on sale of subsidiary (Refer Note No. 57)	-	(4,314.69)
Gain on monetization of property, plant and equipment (Refer Note No. 59)	-	(15,633.29)
Loss on sale/discard of Property, plant and equipment	-	515.64
Total	**(5,167.04)**	**(39,473.20)**

37 Contingent Liabilities and Commitments

37.1 Contingent Liabilities (to the extent not provided for in respect of):

(₹ in Lakh)

S. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
(a)	Disputed Income Tax Demands	18,515.52	11,087.78
(b)	Disputed Sales Tax demands	-	20.51
(c)	Disputed Service Tax demand	114.23	51.55
(d)	Disputed Local Body Tax demand	160.33	160.33
(e)	Claims against the group not acknowledged as debts	2,291.99	2,397.12
(f)	Bank Guarantees	116.25	162.00
(g)	Letter of Credit (Letter of Credit given in favour of Railways for availing e-freight facility for haulage payment)	100.00	100.00
(h)	Import Continuity / Transshipment Bond / Custodian cum Carrier Bond	43,901.21	31,910.21
(i)	Corporate Guarantees given	18,500.00	-

37.2 Capital commitments

Estimated amount of contracts remaining to be executed on capital and other accounts and not provided for (net of advances paid) are ₹ 6,345.90 Lakh (31st March, 2018 - ₹ 449.60 Lakh)

38 Operating lease commitments

(a) The Arshiya Lifestyle Limited (wholly owned subsidiary) has entered into operating lease arrangements for certain warehouse facilities. The lease is non-cancellable and is for a period of 6 years and may be renewed for a further period of 6 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5 % every year from lease commencement date.

(₹ in Lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Future Non-Cancellable minimum lease commitments		
Within one year	4,916.73	4,642.37
Later than one year but not later than five years	21,214.21	21,009.65
Later than five years	-	4,896.67

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(b) The Group has taken office on lease under non-cancellable operating lease expiring at the end of 3 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

(₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Future Non-Cancellable minimum lease commitments		
Within one year	351.92	340.65
Later than one year but not later than five years	699.19	1,051.11
Later than five years	-	-

39 Details of dues to Micro, Small And Medium Enterprises as per MSMED Act, 2006

(₹ in Lakh)

S. No.	Description	As at 31st March, 2019	As at 31st March, 2018
a)	Principal amount due and remaining unpaid	84.98	18.11
b)	Interest due thereon remaining unpaid	4.01	0.22
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	-	-
e)	Interest accrued and remaining unpaid	4.01	0.22
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.

40 Employee Benefits

40.1 Disclosure pursuant to Indian Accounting Standard (IND AS) 19 – Employee Benefits

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognised as expenses for the years are as under:

(₹ in Lakh)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Employer's Contribution to Provident Fund	21.58	19.63
Employer's Contribution to Pension Scheme	49.02	44.61
Employer's Contribution to ESIC	2.12	3.30

(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.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(c) Leave Encashment:

(₹ in Lakh)

Particulars	As at 1st March, 2019	As at 31st March, 2018
Provision recognised in the Balance Sheet		
Current Provision as at the end of the year	22.08	16.31
Non Current Provision as at the end of the year	101.78	80.06
Provision recognised in the Balance Sheet	**123.86**	**96.37**

(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	31st March, 2019	31st March, 2018
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2006-08) Ult	Indian Assured lives Mortality (2006-08) Ult
Discount rate	6.95%	7.40%
Expected return on plan assets	7.40%	6.17%
Salary Escalation Rate	9.00%	7.00%
Withdrawal Rate	17.00%	15.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Provision as at the beginning of the year	200.03	171.79
Interest cost	14.87	11.03
Current service cost	42.21	55.01
Benefits paid	(22.25)	32.45
Actuarial (gain)/loss on obligations	28.56	(10.62)
Provision as at the end of the year	263.42	259.66
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	81.66	118.68
Expected return on plan assets	6.04	15.67
Actual Enterprise's Contributions	(22.25)	(32.45)
Benefits paid	22.25	32.45
Unrecognised asset due to limit in Para 64(b)	-	-
Actuarial gain/(loss) on plan assets	-	(4.59)
Fair value of plan assets as at the end of the year	87.70	129.76
IV. Actual return on plan assets		
Expected return on plan assets	6.04	15.67
Actuarial gain/(loss) on plan assets	-	(4.59)
Actual return on plan assets	6.04	11.08

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars	31st March, 2019	31st March, 2018
V. Provision recognised in the Balance Sheet		
Provision as at the end of the year	263.42	259.66
Fair value of plan assets as at the end of the year	87.70	129.78
Provision recognised in the Balance Sheet	175.72	129.88
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	42.21	55.01
Interest cost	11.04	11.03
Expected return on plan assets	(2.20)	(19.22)
Net actuarial (gain)/loss to be on obligation	-	-
Expense recognised in Statement of Profit and Loss	51.04	46.83
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	32.31	(4.29)
Due to Change in demographic assumption	(4.19)	0.06
Due to Change in experience assumption	0.45	(6.39)
Expected return on plan assets	-	(4.59)
Total remasurement recognised in OCI	28.57	(9.67)
IX. Balance Sheet reconciliation		
Opening net provision	118.37	53.11
Expenses recognised in Profit & Loss	51.04	57.91
Actual Employer Contribution	(22.25)	28.53
Net transfer by group companies	-	-
Total Remeasurement recognised in OCI	28.56	(9.67)
Closing net provision	175.72	129.88

(e) Salary escalation assumption has been set in discussions with the enterprise based on their estimates of overall long-term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

40.2 Sensitivity analysis:

(₹ in Lakh)

Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended 31st March, 2018		
Salary growth rate	+0.50%	289.11
	-0.50%	275.58
Discount rate	+0.50%	275.63
	-0.50%	289.11
For the year ended 31st March, 2019		
Salary growth rate	+0.10%	273.60
	-0.10%	253.86
Discount rate	+0.10%	253.79
	-0.10%	273.82

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is

Notes to the Consolidated financial statements for the year ended 31st March, 2019

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.

40.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 5 years (31st March, 2018 - 6 years).

41 Preparation of financial statements on " Going Concern" basis

(a) One of the subsidiary Company viz Arshiya Rail Infrastructure Limited has accumulated losses and negative net worth. Some of its lenders have recalled their loans and the subsidiary company is in the process of negotiating the revised payment terms. The subsidiary Company is EBIDTA positive and with the commencement of the two dedicated freight corridors, the said subsidiary company will benefit immensely. Moreover a unique contract entered into with one of the largest global shipping lines has already started to improve the profitability. Also, the proposed merger of another subsidiary company with this subsidiary company, would make their operations not only complementary, but enhance their profitability.

In view of the focussed emphasis of the Government on logistics infrastructure sector, the proposed restructuring and considering the fact that the facilities are yet to achieve full operational potential besides the strategic locations of the facilities, the management's future outlook of its businesses is very promising. Accordingly, the financials have been prepared on going concern basis including based on financial support from the Parent Company.

(i) Diversified focus from only Steel industry to Cement, Agro and Tiles also so as to have a balance of product mix,
(ii) Stabilizing of PFT business with Long term contracts and constructing the second line,
(iii) Standardization of Containers to be able to better utilize the assets,
(iv) Government focus on Multi-modal logistic and transport services to increase the throughput of the infrastructure already created by the company,
(v) Government focus on the revamping of the Railway Boards and increasing clarity on regulatory aspects to support resolution of the regulatory issues,
(vi) Two Dedicated Freight Corridor(s) (DFC) along the Western and Eastern part of India to support increase in the business volume,
(vii) Government announcement of Jewar Airport and Merut Highway connecting Jewar via Khurja and thereby connecting to Yamuna Expressway(i.e. Delhi to Agra).

(b) Certain creditors have initiated legal proceedings against the Group and its Directors and the Group has defaulted in payment of instalments of consent terms for which the Group is in process of negotiating and finalising the revised consent terms. Majority of the creditors have been settled over the past few years and some of the creditors have also shown interest and faith not only in the logistics infrastructure sector but also in Arshiya Group and are being allotted equity shares of the Parent Company.

(c) The Parent Company, ATHL, ANFL and AIDHL has accumulated losses and certain creditors have initiated legal proceeding against this companies and their Directors for recovery of the amounts due. However in certain cases has executed consent terms or is in the process of finalizing consent terms with the creditors.

The Parent Company has given its warehouses on long term lease and received upfront lease payments. The management has also initiated various other steps such as construction and future development within the FTWZ, restructuring the Parent Company and it's subsidiaries business operations. The Parent Company, has given a support letter to extend, for the

Notes to the Consolidated financial statements for the year ended 31st March, 2019

foreseeable future, any financial support which may be required by those subsidiaries. Considering the strength of locational advantages, future outlook as assessed by the management and business plan, those subsidiaries' management is confident to continue as a going concern. The long term prospects, however, are dependent on various factors and consolidated financial statements of those entities have accordingly been continued to be prepared on going concern basis.

The management is in the process of restructuring its business operations and steps are as under:

(i) Competitive advantage of the FTWZ with easily accessible to two most important retail market in NCR- Gurgaon and Delhi to increase utilization,
(ii) Aligning warehouse and distribution center logistics to support companies in alignment with business strategy and provide a competitive edge in Mutli-modal Logistics.
(iii) ICD operational facility has now entered into long term contract with global shipping majors,
(iv) The planned long term contract for transportation of Reefer cargo to increase revenue,
(v) Increasing throughput through collaborative 'Pooling of assets' with other ICD and Private Container Train Operators (PCTO),
(vi) Increasing interest from various Global customers for intograted solutions including rail transport and FTWZ,

42 Loans from various lenders have been assigned by banks to Edelweiss Assets Reconstruction Company Limited (EARC). EARC had restructured the loan and executed the Restructuring Agreement (RA) dated 31st March, 2017. In accordance with RA, EARC has converted part debt into restructured debt, balance assigned loan is to be converted into 3,21,62,304 equity shares and 64,23,329 zero percent optionally convertible redeemable preference shares (OCRPS – Series I) of face value of ₹10 each at a price of ₹1,000 each (including premium of ₹990) of the Company, as per extant SEBI rules and regulations. The EARC has availed the right of conversion of OCRPS into equity.

During the year ended 31st March, 2019:-

(i) In aggregate 1,38,97,516 equity shares of 2 each on conversion of OCRPS Series I have been allotted to EARC.

(ii) Pursuant to RA, the Company has allotted 15,00,000 Equity Shares of face value of ₹2 each to the Promoter upon conversion of equal number of warrants.

43 The Parent Company is engaged in the business of development, operations and maintenance of Free Trade and Warehousing Zone (FTWZ) and Domestic Warehousing Zone. During the year ended 31st March, 2019, certain portion of Land which was classified under Property, Plant and Equipment (PPE) is now transferred to inventories at their carrying amounts for future developments.

Out of the above land parcels, during the year ended 31st March, 2019 the Parent Company has entered into 2 lease agreements aggregating to 5.50 Acres of land with a wholly owned subsidiary company for development of warehouses at FTWZ, Panvel.

44 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 Balance Sheet.

45 During the year ended 31st March, 2019, the Parent Company has defaulted in payment as per consent terms signed with one of the Non-Banking Financial Company (NBFC). Subsequent to the year end, the said NBFC has assigned its debt to Edelweiss Asset Reconstruction Company (EARC). Pursuant to the said assignment, EARC become the lender and entitled to recover total dues alongwith interest at contractual rates and other charges. The Parent Company doesn't expect any additional liabilities / charges and liabilities accounted in the books of account are adequate.

46 A Public Financial Institution (PFI) agreed to settle their outstanding loan constituting principle and interest of ₹ 16,700 Lakh. Settlement terms and conditions involves payment of ₹ 5,000 Lakh which is secured by land at Nagpur and for balance amount of ₹ 11,700 Lakh, allotment of Optionally Convertible Redeemable Preference Shares - V (OCRPS - V), convertible upto 15,50,000 equity shares at the option of the PFI. Considering the same, necessary effect has been given in the books of accounts during the previous year. As per shareholder approval in the EOGM dated 29th January 2018, the Parent Company has approved allotment

Notes to the Consolidated financial statements for the year ended 31st March, 2019

of 11,70,000 OCRPS – V and the same was converted into 15,50,000 Equity shares on 22nd February, 2018 as per settlement terms agreed. Subsequently in the Honorable High Court of Bombay, the Parent Company has made the representation that post allotment of the equity shares as exercised by the PFI, the total outstanding debt remains at ₹ 5,000 Lakh.

During the year ended 31st March, 2019, the PFI has assigned its debt to the Edelweiss Asset Reconstruction Company (EARC). The Company has provided interest in line with major terms negotiated with EARC, till the finalisation of the restructuring agreement.

47 A subsidiary Company i.e. Arshiya Rail Infrastructure Limited had entered into one-time settlement (OTS) with a Bank during the year ended 31st March, 2019 and the effect was taken as an exceptional item during the 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 during the 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 ₹ 3,500.76 Lakh having consequential impact on total comprehensive income for the year ended 31st March, 2019.

48 Cash Seized by Income Tax

The amount of ₹ 100 Lakh cash seized by the Income Tax department at the time of search on 13th June, 2014 has adjusted the said cash seized against demand of the Parent Company and to be specific against Assessment Year 2014-2015. While there is a demand in Assessment Year 2014-2015, the same is contested and the said demand is reflected in Contingent Liability (Refer note no. 37).

49 Scheme of arrangement and amalgamation u/s 230 to 232 and other applicable provisions of the Companies Act, 2013 has been filed before the National Company Law Tribunal ("NCLT") between Arshiya Rail Infrastructure Limited, Arshiya Industrial & Distribution Hub Limited and Arshiya Transport & Handling Limited and their respective shareholders. The scheme is conditional on various approval / sanctions and is effective thereafter; accordingly no effect of the said Scheme is given in the consolidated financial statements. The Creditors meeting of the respective companies was held on 6th May 2019. The Scheme(s) shall be given effect after receipt of necessary approvals.

50 The Board of Directors of the Parent Company in their meeting held on 24th May, 2018, has approved a scheme to further reorganize its corporate structure spread across various group companies, in order to integrate/consolidate it's operations by reorganizing different businesses into two entities subject to various approvals.

This Scheme is presented under Sections 230 to 232 read with Sections 66 and 52 and other applicable provisions of the Companies Act, 2013 for demerger of "Domestic warehousing business" of the Parent Company into Arshiya Rail Infrastructure Limited. This proposed scheme of arrangement is conditional upon approval of an ongoing scheme of group companies i.e. merger of Arshiya Rail Infrastructure Limited, Arshiya Industrial and Distribution Hub Limited and Arshiya Transport & Handling Limited, which is pending with NCLT. No accounting impact and disclosures is considered and necessary at this stage pending requisite regulatory approvals.

51 Cenvat Credit Receivable:

The Group has been legally advised that post merger of the AIDHL with ARIL, the unutilized cenvat credit of the AIDHL can be utilized for discharging the service tax liability of ARIL.

52 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, 2019

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 for which appeals are pending with respective Appellate Authorities. The Management is of the view that the refunds claimed as above aggregating to ₹ 355.05 Lakh are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds.

The Management is of the view that the refunds claimed as above are considered good for recovery.

53 ARIL has procured certain capital goods under EPCG scheme at concessional rate of duty. On non fulfillment of certain conditions, ARIL may become liable to pay differential custom duty along with interest thereon such procurement. The management is hopeful of completing the expected obligation within the stipulated time.

54 Corporation Bank has filed a suit with Debt Recovery Tribunal, New Delhi, towards recovery against Arshiya Rail Infrastructure Limited, the Parent Company as a Corporate Guarantor and two Promoter Directors of the Parent Company as Guarantors, for ₹ 8,012.60 lakhs. The same is pending before the DRT Delhi. The matter is sub-judice.

55 During the year ended 31st March, 2018, two lenders of a subsidiary i.e. Arshiya Industrial and Distribution Hub Limited ("AIDHL") have assigned their rights, title, and interest in financial assistance granted by them to Edelweiss Assets Reconstruction Company Limited (EARC). Post assignment of loans, EARC has become a secured lender of AIDHL and right, title and interest of the lenders have vested into EARC.

Pursuant to the assignment of such loans, and in terms of the restructuring package approved by EARC for the loans so assigned, the subsidiary has executed Restructuring Agreement (RA) with EARC, on behalf of EARC Trusts on 13th January, 2018 taking the aggregate amount of assigned loans to Rs 20,998 Lakh.

As a result of this restructuring and assignment of debts of lenders the gain earned amounting to Rs 10,398.92 Lakh has been credited to the Consolidated Statement of Profit and Loss for the year ended on 31st March, 2018. This has been disclosed as part of an exceptional item.

56 During the year ended 31st March, 2018 a subsidiary i.e. AIDHL has completed one time settlement (OTS) with a lender in respect of the term loan taken. OTS stipulates payment and allotment of Optionally Convertible Redeemable Preference Shares. AIDHL has made a payment of Rs 3,000 Lakh on 18th January,2018 and issued 1,20,000 OCRPS. Gain of ₹ 7,790.75 Lakh on this OTS has been credited to the Consolidated Statement of Profit & Loss as an exceptional item.

57 During the year ended 31st March, 2018 the Parent Company and a subsidiary i.e. Arshiya Northern FTWZ Ltd ("ANFTZ") have divested their entire investment in one of subsidiary namely Mira Supply Chain Management Private Limited (formerly known as Mira Supply Chain Management Private Limited) ("ASCM") on 2nd January 2018 by way of transfer of equity shares to a subsidiary i.e. AIDHL. On 22nd March,2018, AIDHL has divested its entire shareholding in ASCM. Pursuant to above, ₹4,314.69 Lakh gain is accounted in consolidated financial statement which has been considered as exceptional item during the year ended 31st March 2018.

58 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.

59 During the year ended 31st March, 2018, on 23 November 2017, the Parent Company, interalia, it's subsidiaries and promoters had executed Share Purchase Agreement of Ascendas Panvel FTWZ Limited [formerly known as Arshiya Rail Siding and Infrastructure Limited ("APFL", i.e. a step-down subsidiary/"SPV")], with Ascendas Property Fund (India) Pte Ltd ('Ascendas') for sale of 100% of it's equity holding, having ₹ 5 Lakh paid up equity capital, to Ascendas. This SPV holds the status of a co-developer.

During the year ended 31st March, 2018, the Parent Company, interalia, it's subsidiaries and promoters have executed a Lease Deed on 3rd February 2018, in favour of a SPV of Ascendas Property Fund (India) Pte. Limited ("Ascendas" - part of the Ascendas-Singbridge Group, Singapore) for grant of leasehold rights of six warehouses at FTWZ Panvel, along with underlying land of those warehouses, identified assets and infrastructure facilities on an initial lease term of 30 (thirty) years. The said transaction is for

Notes to the Consolidated financial statements for the year ended 31st March, 2019

a total consideration of ₹ 53,400 Lakh (or Rupees Five hundred and thirty four crore), with an upfront lease payment/lump sum rent of ₹ 43,400 Lakh (or Rupees Four hundred and thirty four crore). The balance of ₹ 10,000 Lakh (or Rupees One hundred crore) will be received over four years from transaction closing based on certain performance milestones. The transaction also envisages the terms for construction funding by Ascendas for future growth of the Parent Company's business. The Parent Company already possesses the requisite land for the future development.

On transaction closing date of 3rd February 2018, the SPV has acquired long-term leasehold rights from the Parent Company and the same are leased back under an operating lease arrangement pursuant to execution of sub-lease deed dated 3rd February 2018 to Arshiya Lifestyle Limited ("ALL"), a wholly owned subsidiary of the Parent Company, for a sub-lease term of 6 (six) years, renewable as per mutually agreed terms, in consideration of pre-agreed rentals.

Accordingly during the year ended 31st March, 2018 the Parent Company has reduced the value of assets, granted on leasehold rights to APFL, from its fixed assets. The gain on grant of leasehold rights to APFL amounting to ₹ 15,633.29 lakhs has been credited to the statement of profit and loss and is disclosed as an exceptional item.

Based on the above, ALL would operate and manage these six warehouses and pay the lease rentals to APFL as defined in the sub-lease agreement. Hence from 3rd February, 2018 onwards all revenue from these assets will be accounted by ALL. However the Parent Company will recognize the net revenue in terms of a business conducting agreement entered into between the Parent company and ALL.

60 Disclosure pursuant to Indian Accounting Standard (IND AS) 108 – Segment Information

60.1 Primary Segment Information

The Group operates in three primary reportable business segments, i.e. "Free Trade and Warehousing Zone" and "Rail Transport Operations/Inland Container Depot" and "Domestic Warehousing Zone" and one geographical segment i.e. India as per Accounting Standard 108 – "Segment Reporting".

60.2 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.

60.3 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.

60.4 Segmental Information as at and for the year ended 31st March, 2019 is as follows:-

(₹ in Lakh)

Particulars	**Year Ended 31st March 2019**	**Year Ended 31st March 2018**
Segment Revenue		
FTWZ	14,758.88	12,233.47
Rail Transport Operations/ICD	13,750.16	13,653.22
Domestic Warehousing	428.34	20.00
Less: Inter Segment	-	-
Total Revenue from Operations	**28,937.38**	**25,906.69**
Segment Results Before Tax and Interest		
FTWZ	1,325.17	1,006.72

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
Rail Transport Operations/ICD	(4,567.90)	(4,289.19)
Domestic Warehousing	(1,106.05)	(1,458.01)
Total Segment Result	**(4,348.78)**	**(4,740.48)**
Less: Unallocated Expenses net of Income	9.74	2.80
Less: Finance Costs	27,559.39	31,598.39
Less: Exceptional Items (Net)	(5,167.04)	(39,473.20)
Loss before tax	**(26,750.87)**	**3,131.53**
Less: Tax Expenses	6.98	27.42
Loss after tax	**(26,757.85)**	**3,104.11**
Segment Assets		
FTWZ	1,81,666.82	1,85,856.32
Rail Transport Operations/ICD	73,038.42	77,717.22
Domestic Warehousing	48,982.63	49,852.04
Unallocated	2,092.84	2,199.05
Total	**3,05,780.71**	**3,15,624.63**
Segment Liabilities		
FTWZ	11,981.34	13,267.09
Rail Transport Operations/ICD	7,746.04	7,581.09
Domestic Warehousing	120.38	3.60
Unallocated	2,31,948.11	2,22,751.84
Total	**2,51,795.87**	**2,43,603.62**
Other Disclosures		
Capital Expenditure		
FTWZ	3,256.98	5,944.51
Rail Transport Operations/ICD	274.28	883.56
Domestic Warehousing	13.45	-
Unallocated	-	-
Total	**3,544.71**	**6,828.07**
Depreciation and amortisation expenses		
FTWZ	3,094.37	3,694.97
Rail Transport Operations/ICD	4,913.85	4,998.78
Domestic Warehousing	1,411.34	1,478.01
Unallocated	-	-
Total	**9,419.56**	**10,171.76**
Non-cash Expenditure		
FTWZ	300.09	85.29
Rail Transport Operations/ICD	24.71	101.36
Domestic Warehousing	-	-
Unallocated	-	-
Total	**324.80**	**186.65**

Notes to the Consolidated financial statements for the year ended 31st March, 2019

61 Related party disclosures, as required by Indian Accounting Standard 24 "Related Party Disclosures" (IND AS-24) as given below:

(I) Person having significant influence over the Parent Company

Mr. Ajay S Mittal – Chairman and Managing Director
Mrs. Archana A Mittal – Joint Managing Director

(II) Key management personnel

Mr. Ashish Bairagra - Independent Director
Mr. Mukesh Kacker - Independent Director
Prof. G. Raghuram - Independent Director (till 15th May, 2017)
Mr. Rishabh Shah - Independent Director
Mr. Tara Sankar Bhattacharya - Independent Director (w.e.f. 24th May, 2018)
Ms. Savita Dalal – Company Secretary of Arshiya Limited
Mr. Sanjay Sukhram Lakkhan - Company Secretary of Arshiya Industrial & Distribution Hub Limited (till 7th February, 2019)
Ms. Avani Dipakkumar Lakhani - Company Secretary of Arshiya Rail Infrastructure Limited (w.e.f. 26th March, 2019)
Mr. S. Maheshwari - Chief Financial Officer of Arshiya Limited (w.e.f. 8th February, 2017) and Group President
Mr. Navnit Choudhary - Chief Financial Officer of Arshiya Northern FTWZ Limited (w.e.f. 8th February, 2017)
Mr. Dinesh kumar Sodani - Chief Financial Officer of Arshiya Rail Infrastructure Limited (w.e.f. 8th February, 2017 to 12th January, 2018)
Mr. Mukesh Khathuria - Chief Financial Officer of Arshiya Industrial & Distribution Hub Limited (w.e.f. 8th February, 2017 to 31st March, 2018)
Mr. Dinesh Kumar Sodani - Chief Financial Officer of Arshiya Industrial & Distribution Hub Limited (w.e.f. March 26, 2019)
Mr. Vinod Jain - Chief Financial Officer of Arshiya Rail Infrastructure Limited (till 25th March, 2019)
Mr. Amardeep Gupta - Chief Financial Officer of Arshiya Rail Infrastructure Limited (w.e.f. 26th March, 2019)
Mr. Siddarth Kasturia - Chief Executive Officer of Arshiya Rail Infrastructure Limited (w.e.f. 26th March, 2019)
Mr. Amit Gupta - Chief Executive Officer of Arshiya Industrial & Distribution Hub Limited (w.e.f. March 26, 2019)

(III) Relative of Person having significant influence over the Parent Company

Mr. Ananya Mittal – Corporate Strategy Officer

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

Rudradev Properties Private Limited
Mega Management Services Private Limited
Welldone Software Consultancy Private Limited
Noval FTWZ Limited (formaly known as Arshiya Central FTWZ Limited)

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

(₹ in Lakh)

Nature of transaction	Name of the Party	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Remuneration paid to Key Managerial Person and Relative of Person having significant influence over the Group	Mr. Ananya Mittal	25.68	25.68
	Mr. S. Maheshwari	203.68	185.15
	Ms. Savita Dalal	16.61	-
	Ms. Avani Dipakkumar Lakhani	0.10	-
	Mr. Amardeep Gupta	0.36	-
	Mr. Vinod Jain	20.49	-
	Mr. Siddarth Kasturia	0.95	-
Director sitting fees	Mr. Ashishkumar Bairagra	1.15	2.00
	Mr. Mukesh Kacker	0.40	1.80
	Prof. G. Raghuram	-	0.20
	Mr. Rishabh Shah	0.40	1.75
	Mr. T S Bhattacharya	0.70	-

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Nature of transaction	Name of the Party	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest income	Noval FTWZ Limited	0.12	-
Loans and Advances taken	Mr. Ajay S Mittal	788.46	3,064.09
	Mrs. Archana A Mittal	1,116.14	4,260.42
Loans given	Noval FTWZ Limited	325.00	-
Loans and Advances taken repaid/adjusted	Mr. Ajay S Mittal	1,153.32	2,594.62
	Mrs. Archana A Mittal	2,528.94	2,860.31
	Rudradev Properties Private Limited	-	1.00
	Mega Management Services Private Limited	-	13.32
	Welldone Software Consultancy Private Limited	-	0.19
Investments purchased from	Mrs. Archana A Mittal	-	0.49
Issue of Equity Shares and Warrants	Mr. Ajay S Mittal		
	Equity Share	-	5,835.00
	Share Warrants	-	5,820.00
	Mr. S. Maheshwari		
	Equity Share	-	583.50
Share Warrants converted into Equity	Mr. Ajay S Mittal	860.25	4,959.75

Closing balances

(₹ in Lakh)

Nature	Related Party	As at 31st March, 2019	As at 31st March, 2018
Loans and Advances taken	Mr. Ajay S Mittal	104.89	469.75
	Mrs. Archana A Mittal	55.22	1,468.01
	Rudradev Properties Private Limited	-	1.00
Loan given	Noval FTWZ Limited	325.12	-
Share warrants	Mr. Ajay S Mittal	-	860.25
Equity Shares (excluding share premium)	Mr. S. Maheshwari	20.00	20.00
Personal guarantees taken	Mr. Ajay S Mittal	3,24,812.00	3,11,657.00
	Mrs. Archana A Mittal	3,24,262.00	3,11,262.00

62 Earnings per share:

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Profit/(Loss) for the year (₹ in Lakh)	(26,757.85)	3,104.11
Add: Interest adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	-	946.32
Total Profit/(Loss) for the year for diluted EPS (₹ in Lakh)	(26,757.85)	4,050.43
Number of equity shares		
Weighted average number of equity shares (Number)	23,80,15,279	18,31,20,902

Notes to the Consolidated financial statements for the year ended 31st March, 2019

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Add: Adjustment on account of Share Warrants	-	5,91,781
Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	-	54,82,856
Total Weighted average number of equity shares/shares warrants/OCRPS	23,80,15,279	18,91,95,538
Nominal value per share (Amount in ₹)	2.00	2.00
Earnings per share – Basic and Diluted (Amount in ₹)	(11.24)	1.70

0% OCRPS and share warrants had an anti diluting effect on earning per share hence have not been consider for the purpose of computing dilutive earning per share during the previous year.

63 Taxation

63.1 The Group has not recognised any deferred tax assets on deductible temporary differences, unused tax losses as it is not probable that the Group will have sufficient future taxable profit which can be available against the available tax losses.

63.2 Unused tax losses for which no deferred tax assets has been recognised

(₹ in Lakh)

Assessment Year	Business Loss	Unabsorbed Depreciation	Available for utilization till
2012-2013	544.34	2,073.04	A.Y. 2020-2021
2013-2014	3.11	5,419.06	A.Y. 2021-2022
2014-2015	19,848.88	17,342.15	A.Y. 2022-2023
2015-2016	1,144.94	18,231.03	A.Y. 2023-2024
2016-2017	2,414.75	14,589.27	A.Y. 2024-2025
2017-2018	83,302.00	14,097.35	A.Y. 2025-2026
2018-2019	16,974.67	5,968.48	A.Y. 2026-2027
2019-2020	1,806.52	6,537.27	A.Y. 2027-2028
Total	**1,26,039.21**	**84,257.65**	

(₹ in Lakh)

Assessment Year	Long term Capital Loss	Available for utilization till
2016-2017	1,658.88	A.Y. 2024-2025
Total	**1,658.88**	

Deferred tax assets as at 31st March, 2019 ₹27,429.06 Lakh (31st March, 2018 - ₹ 45,714.08 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, 2019	As at 31st March, 2018"
Property, plant and equipment	16,991.77	17,129.21
Unabsorbed depreciation	(21,908.29)	(17,225.95)
Expenses allowable on payments under section 43B and 40 (a) (ia)	(6,087.89)	(12,538.11)
Unabsorbed losses	(33,047.07)	(30,844.25)
Financial Instruments	16,622.42	(2,234.98)
Total Deferred tax assets	**(27,429.06)**	**(45,714.08)**

64 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.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

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.

(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, 2019			
Financial liabilities			
Borrowings	56,154.61	1,26,473.26	-
OCRPS (Equity and Liability Component)	-	1,200.00	-
Trade payables	2,579.26	-	-

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Particulars	less than 1 year	1 to 5 years	More than 5 year
Creditors for Capital Goods	7,228.05	-	-
Financial guarantee obligations	10.55	-	-
Other financial liabilities	51,993.13	612.11	-
Total	**1,17,965.60**	**1,28,285.37**	**-**
31st March, 2018			
Financial liabilities			
Borrowings	50,179.38	1,31,491.71	-
OCRPS (Equity and Liability Component)	-	-	58,846.19
Trade payables	1,797.79	-	-
Creditors for Capital Goods	8,422.54	-	-
Financial guarantee obligations	-	224.03	-
Other financial liabilities	35,105.55	2,076.73	-
Total	**95,505.26**	**1,33,792.47**	**58,846.19**

(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.

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 (Amount in Lakh)	Equivalent amount in INR (₹ in Lakh)
Bank balances			
USD	31st March, 2019	-	-
	31st March, 2018	0.13	8.56
Trade receivables			
USD	31st March, 2019	46.09	3,207.35
	31st March, 2018	29.62	1,903.03
QAR	31st March, 2019	-	-
	31st March, 2018	0.04	0.79
EUR	31st March, 2019	0.41	28.39
	31st March, 2018	0.47	36.85
Security Deposit from customers			
USD	31st March, 2019	6.20	428.85
	31st March, 2018	5.61	360.71
EUR	31st March, 2019	0.02	1.35
	31st March, 2018	0.03	2.72

Notes to the Consolidated financial statements for the year ended 31st March, 2019

Particulars	Financial Year Ended	Foreign currency amount	Equivalent amount in INR
		(Amount in Lakh)	(₹ in Lakh)
AED	31st March, 2019	0.35	6.65
	31st March, 2018	-	-
Advance from customers			
USD	31st March, 2019	0.35	26.45
	31st March, 2018	0.53	34.01
EUR	31st March, 2019	0.0003	0.02
	31st March, 2018	-	-

1.2 Sensitivity

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(₹ in Lakh)

Particulars	Increase/(decrease) in profit before tax	
	31st March, 2019	**31st March, 2018**
FX rate - increase by 1% on closing rate of reporting date	27.79	15.52
FX rate - (decrease) by 1% on closing rate of reporting date	(27.79)	(15.52)

The above amounts have been disclosed based on the accounting policy for exchange differences.

2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the Group's borrowings is fixed rate borrowings carried at amortised cost, therefore not subject to interest rate risk as defined in IND AS - 107, since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Group's interest rate risk arises from long term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's borrowings at the variable rate were mainly denominated in Rupees.

2.1 Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakh)

Particulars	31st March, 2019	31st March, 2018
Variable rate borrowing	20,750.92	22,790.49

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, 2019	**31st March, 2018**
50 bps increase the profit before tax by	(103.75)	(113.95)
50 bps decrease the profit before tax by	103.75	113.95

Notes to the Consolidated financial statements for the year ended 31st March, 2019

65 Fair Value Measurements

(i) Financial Instruments by Category

(₹ in Lakh)

Particulars	Carrying Amount		Fair Value	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Financial Assets				
Amortised cost				
Trade Receivables	4,266.17	2,742.67	4,266.17	2,742.67
Cash and Cash Equivalents	990.56	1,285.84	990.56	1,285.84
Other Bank Balances	401.38	498.54	401.38	498.54
Loan	325.12	-	325.12	-
Security Deposits	5,041.28	11,151.19	5,041.28	11,151.19
Other Financial Assets	5,625.38	3,385.69	5,625.38	3,385.69
Total	**16,649.89**	**19,063.93**	**16,649.89**	**19,063.93**
Financial Liabilities				
Amortised cost				
Borrowings	1,82,307.29	1,90,215.83	1,82,307.29	1,90,215.83
Trade Payables	2,579.26	1,797.79	2,579.26	1,797.79
Creditors for Capital Goods	7,228.05	8,422.54	7,228.05	8,422.54
Security Deposits	1,288.53	1,296.53	1,288.53	1,296.53
Other financial liabilities	51,327.26	36,109.78	51,327.26	36,109.78
Total	**2,44,730.39**	**2,37,842.47**	**2,44,730.39**	**2,37,842.47**

(ii) Fair Valuation techniques used to determine fair value

The Group maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

(a) The Group assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) The fair values for security deposits and other financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(c) The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard.

(a) **Level 1 -** Level 1 hierarchy includes financial instruments measured using quoted prices.

(b) **Level 2 -** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(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.

66 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, 2019**	**As at 31st March, 2018**
Total Debts	2,31,919.33	2,22,733.08
Total Equity	53,465.75	71,501.92
Total debt to equity ratio (Gearing ratio)	**4.34**	**3.12**

Notes:-

i) Debt is defined as long term and short term borrowings including current maturities of borrowings and interest accrued.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

Debt Covenants

Under the terms of Restructuring Agreement (RA), the Group is required to comply with following financial covenants:

Without prior approval of lender, the Group shall not:

(a) **Loans, debenture & charge -** Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.

(b) **Dividend on equity shares -** declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA.

In order to achieve this overall objective, the capital management, amongst other thing, aims to ensure that it meets financial covenants attached to the interest bearing Loans and borrowings that define capital structure requirements, there have been breaches in the financial covenants of Interest bearing loans and borrowing in the current period and previous period.

The Parent Company has not proposed any dividend in last three year in view of losses incurred.

67 Revenue from contracts with customers (IND AS 115)

(a) 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. 29.

Notes to the Consolidated financial statements for the year ended 31st March, 2019

Revenue disaggregation by geography is as follows:

(₹ in Lakhs)

Geography	Year Ended 31st March, 2019	Year Ended 31st March, 2018
India	28,918.71	25,868.69
Outside India	18.67	38.00
Total	**28,937.38**	**25,906.69**

Revenue disaggregation by timing of revenue recognition is as follows:

(₹ in Lakhs)

Geography	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Services transferred over time	28,937.38	25,906.69
Total	**28,937.38**	**25,906.69**

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, 2019 amounts to ₹ 7,109.59 Lakh as per Lease deed. The remaining performance obligation are affected by several factors including Panvel storage revenue, cash flow cover, collections within 90 days or mutually agreed. The management of the Parent Company expects that 35% of the unsatisfied performance obligation will be recognised as revenue during the next reporting period amounting to ₹ 2,500.00 Lakh with balance in future two reporting periods thereafter.

(b) Transitional Provision - IND AS 115 - Revenue from Contracts with Customer

The Ministry of Corporate Affairs (MCA) on 28th March, 2018 notified Ind AS 115 "Revenue from contracts with customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018 and the same is effective for accounting period beginning on or after 1st April, 2018. The Group has applied modified retrospective approach in adopting the new standard and accordingly, the revenue from operations for the year ended 31st March, 2019 is not comparable with the previous year. As a results of change in accounting policies, adjustments to the transition provision has been made in respective item as at 1st April, 2018 with corresponding Impact to equity. Details of changes made in item along with equity have given in below table.

Particulars	₹ in Lakh
Other Financials assets	
Unbilled Revenue	390.41
Net Impact on other equity (Increase)	**390.41**

68 The Group's borrowings have been assigned by bankers to an ARC / restructured with banks under CDR Package and restructured with NBFC. Certain lenders had invoked the CDR package. The ARC / CDR Lenders and NBFC have charged penal interest/ additional interest/ interest amounting to ₹ 2,599.23 lakh upto the year ended March 31, 2018, which was not accepted by the Group and hence is under negotiation. In light of audit qualifications in previous year as a matter of prudence, the Group has recognised the said interest/penal interest and has accordingly restated the finance cost and other consequential impacts in the year ended March 31, 2018.

Above amount include additional interest amounting to ₹ 655.89 lakhs which is pertaining to period upto 31st March, 2017. Therefore this is adjusted in retained earning as on 1st April, 2017. Due to this reported figure of opening other Equity was ₹ 28,977.19 lakh and now restated figure of opening other Equity is ₹ 28,321.30 lakhs.

Further, during the year ended March 31, 2018 reported figure of finance cost, other Equity and Interest accrued and due on borrowings was ₹ 29,655.06 lakh, ₹ 69,146.40 lakh and ₹ 25,348.69 lakh respectively. Restated figures of finance cost, other equity and Interest accrued and due on Borrowings are ₹31,598.39 lakh, ₹ 66,937.58 lakh and ₹27,947.92 lakh respectively. Earning Per Share (EPS) also recalculated based on the restated figures.

69 Information required for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013

S. No.	Name of the subsidiary	FY 2018-19					
		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 Subsidiaries Indian:**						
1	Arshiya Limited	320.80%	1,71,515.57	(28.39%)	8.11	13.10%	(3,508.38)
2	Arshiya Rail Infrastructure Limited	(26.11%)	(13,958.69)	85.37%	(24.39)	15.62%	(4,183.51)
3	Arshiya Northern FTWZ Limited	36.33%	19,424.06	25.94%	(7.41)	29.73%	(7,962.93)
4	Arshiya Industrial & Distribution Hub Limited	27.12%	14,498.06	5.95%	(1.70)	23.65%	(6,334.79)
5	Arshiya Transport and Handling Limited	(2.01%)	(1,074.59)	-	-	0.43%	(114.85)
6	Arshiya Technologies (India) Private Limited	(0.01%)	(3.70)	-	-	0.00%	(0.82)
7	Arshiya Lifestyle Limited	3.74%	2,001.61	1.23%	(0.35)	(0.10%)	26.51
8	Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited)	(0.14%)	(73.91)	9.91%	(2.83)	0.42%	(111.70)
9	Anomalous Infra Private Limited	1.74%	931.59	-	-	0.64%	(171.24)
10	Arshiya Northern Projects Private Limited	(0.00%)	(1.03)	-	-	0.02%	(6.03)
11	Arshiya Infrastructure Developers Private Limited	0.00%	0.74	-	-	0.00%	(0.26)
12	Laxmipati Balaji Supply Chain Management Private Limited	0.01%	4.53	-	-	0.00%	(0.47)
13	Unrivalled Infrastructure Private Limited	0.00%	0.74	-	-	0.00%	(0.26)
	Stepdown Subsidiary:						
	Held through Arshiya Logistics Services Limited						
1	Arshiya 3PL Services Private Limited	0.01%	4.03	-	-	0.00%	(0.97)
	Consolidation Adjustments/ Eliminiations*	(261.48%)	(1,39,803.26)	-	-	16.49%	(4,416.72)
	Total	100.00%	**53,465.75**	100.00%	**(28.57)**	100.00%	**(26,786.42)**

S. No.	Name of the subsidiary	FY 2017-18					
		Total Equity		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Total Equity	₹ in Lakh	As % of Consolidated Other Comprehensive Income	₹ in Lakh	As % of Consolidated Total Comprehensive Income	₹ in Lakh
I	**Parent Subsidiaries Indian:**						
1	Arshiya Limited	230.64%	1,64,914.64	(27.82%)	(2.69)	125.81%	3,892.97
2	Arshiya Rail Infrastructure Limited	(13.76%)	(9,835.18)	74.35%	7.19	(347.03%)	(10,738.56)
3	Arshiya Northern FTWZ Limited	38.30%	27,386.99	(99.79%)	(9.65)	(301.09%)	(9,316.94)
4	Arshiya Industrial & Distribution Hub Limited	29.14%	20,832.84	1.45%	0.14	33.30%	1,030.57
5	Arshiya Transport and Handling Limited	(1.34%)	(959.74)	-	-	(3.34%)	(103.33)
6	Arshiya Technologies (India) Private Limited	(0.00%)	(2.88)	-	-	(0.05%)	(1.65)

S. No.	Name of the subsidiary	FY 2017-18					
		Total Equity		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Total Equity	₹ in Lakh	As % of Consolidated Other Comprehensive Income	₹ in Lakh	As % of Consolidated Total Comprehensive Income	₹ in Lakh
7	Arshiya Lifestyle Limited	2.51%	1,798.21	-	-	(0.72%)	(22.38)
8	Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited)	0.05%	37.79	179.11%	17.32	(3.18%)	(98.54)
9	Mira Supply Chain Management Private Limited (formerly known as Arshiya Supply Chain Management Private Limited) (up to 21st March, 2018)	-	-	(27.30%)	(2.64)	(51.47%)	(1,592.76)
	Stepdown Subsidiary:						
	Held through Arshiya Rail Infrastructure Limited						
10	Ascendas Panvel FTWZ Limited (formerly known as Arshiya Rail Siding and Infrastructure Limited) (up to 3rd February, 2018)	-	-	-	-	0.06%	1.79
	Consolidation Adjustments/ Eliminiations*	(185.55%)	(1,32,670.75)	-	-	647.72%	20,043.27
	Total	100.00%	**71,501.92**	100.00%	**9.67**	100.00%	**3,094.44**

* 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.

70 The Group has sent request letters/ emails to various Parties for confirmations of balances under borrowings, trade receivables and capital advances given to vendors and trade payables etc., to which only few parties have responded. Accordingly, impact of adjustment, if any, will be accounted as and when the same is determinable or accounts are reconciled/settled.

71 Previous year's figures have been regrouped / restated / rearranged wherever necessary.

Signatures to Notes forming part of financial statements

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer
and Group President

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP - Accounts & Finance

Place: Mumbai
Date: 27th May, 2019

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 Industrial & Distribution Hub Limited	31st March, 2019	INR	1,723.72	13,293.43	67,614.82	52,597.67	-	1,192.12	(6,333.09)	-	(6,333.09)	100%
2	Arshiya Northern FTWZ Limited	31st March, 2019	INR	1,086.87	18,337.19	75,763.88	56,339.82	-	460.80	(7,955.52)	-	(7,955.52)	100%
3	Arshiya Rail Infrastructure Limited	31st March, 2019	INR	4,238.44	(18,197.13)	51,313.60	65,272.29	-	13,614.83	(4,159.12)	-	(4,159.12)	100%
4	Arshiya Transport And Handling Limited	31st March, 2019	INR	5.00	(1,079.59)	0.02	1,074.61	-	-	(114.85)	-	(114.85)	100%
5	Arshiya Technologies (India) Private Limited	31st March, 2019	INR	10.12	(13.82)	0.20	3.90	-	-	(0.82)	-	(0.82)	100%
6	Arshiya Lifestyle Limited	31st March, 2019	INR	148.50	1,853.11	4,707.56	2,705.95	-	10,165.30	33.84	6.98	26.86	100%
7	Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited)	31st March, 2019	INR	160.00	(233.91)	1,958.26	2,032.17	5.00	6,795.46	(108.88)	-	(108.88)	100%
8	Anomalous Infra Private Limited	31st March, 2019	INR	11.00	920.59	7,003.80	6,072.21	-	-	(171.24)	-	(171.24)	100%
9	Arshiya Northern Projects Private Limited	31st March, 2019	INR	5.00	(6.03)	5.00	6.03	-	-	(6.03)	-	(6.03)	100%
10	Arshiya Infrastructure Developers Private Limited	31st March, 2019	INR	1.00	(0.26)	1.00	0.26	-	-	(0.26)	-	(0.26)	100%
11	Laxmipati Balaji Supply Chain Management Private Limited	31st March, 2019	INR	5.00	(0.47)	22.32	17.79	-	-	(0.47)	-	(0.47)	100%
12	Unrivalled Infrastructure Private Limited	31st March, 2019	INR	1.00	(0.26)	1.00	0.26	-	-	(0.26)	-	(0.26)	100%
13	Arshiya 3PL Services Private Limited	31st March, 2019	INR	5.00	(0.97)	4.54	0.51	-	-	(0.97)	-	(0.97)	Nil (2*)

(1*) % of Share Holding including beneficial interest/ voting power (either directly/indirectly or through subsidiaries).
(2*) 100% held through Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading 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

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer
and Group President

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP - Accounts & Finance

Place: Mumbai
Date: 27th May, 2019

FORM NO. MGT-11

(PROXY FORM)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

ARSHIYA LIMITED
CIN: L93000MH1981PLC024747
Registered Office: 302, Level-3, Ceejay House, Shiv Sagar Estate, F-block,
Dr. Annie Besant Road, Worli, Mumbai-400018

38th Annual General Meeting- September 30, 2019

Name of the member (s):	
Registered Address:	
E-mail Id:	
Folio No/Client Id*/ DP ID*:	

I/We, being the member (s) of ______________________ shares of the above named company, hereby appoint

1. Name: ……………………………………………………………………………

   Email ID: ……………………………………………………………………………

   Address: ……………………………………………………………………………

   Signature:…………………………………………………………………… , Or failing him/her

2. Name: ……………………………………………………………………………

   Email ID: ……………………………………………………………………………

   Address: ……………………………………………………………………………

   Signature:…………………………………………………………………… , Or failing him/her

3. Name: ……………………………………………………………………………

   Email ID: ……………………………………………………………………………

   Address: ……………………………………………………………………………

   Signature:…………………………………………………………………… ,

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Thirty-Eighth Annual General Meeting of the Company, to be held on Monday, the September 30, 2019 at 03.00 p.m. at Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai- 400 018 and at any adjournment thereof in respect of resolutions are indicated below:

Resolution No.	**Resolutions**	**Vote****		
		FOR	**AGAINST**	**ABSTAIN**
Ordinary Business				
1.	Adoption of Annual Accounts of the Company as on March 31, 2019. (Ordinary Resolution)			
2.	Appointment of Mrs. Archana A. Mittal as director liable to retire by rotation. (Ordinary Resolution)			

Special Business				
3.	Ratification of Remuneration to Cost Auditor (Ordinary Resolution)			
4.	To re-appoint Mr. Ashishkumar Bairagra (DIN 00049591) as an Independent Director. (Special Resolution)			
5.	To re-appoint Mr. Rishabh Shah (DIN 00694160) as an Independent Director. (Special Resolution)			
6.	To approve and adopt Arshiya Limited Employee Stock Option Scheme 2019. (Special Resolution)			
7.	To approve grant of Stock Options to the Employees/Directors of Holding, and/or Subsidiary Company (ies) (Present & Future) under the Scheme 2019. (Special Resolution)			
8.	Approval for sale of the Company's undertaking in Arshiya Rail Infrastructure Limited, a wholly owned material subsidiary of the Company. (Special Resolution)			
9.	Approval for sale of the Company's undertaking in Arshiya Industrial & Distribution Hub Limited, a wholly owned material subsidiary of the Company. (Special Resolution)			
10.	Approval for Appointment of Mr. Ananya A Mittal as Chief Strategy Officer of the Company. (Ordinary Resolution)			
11.	Issue of equity shares on preferential basis: (Special Resolution)			

*Applicable for investors holding shares in Electronic form.

**This is only optional Please put a √ in the appropriate column against the resolutions indicated in the Box. Alternatively you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote, if you leave all the columns blank against any or all the resolutions your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed ____________________ this day of____________ 2019

Affix Revenue Stamp Rs.1/-

Signature of shareholder: ____________________

Signature of Proxy holder(s): _________________

Notes:

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting A proxy need not be a member of the company.
2) In case the appointer is a body corporate the proxy form should be signed under its seal or be signed by an office or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the proxy form.
3) A person can act as a proxy on behalf of such number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Further a member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member.
4) In case of joint holders the signature of any one holder will be sufficient but names of all the joint holders should be stated.

ARSHIYA LIMITED
CIN: L93000MH1981PLC024747
Reg. Off: 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400018
T: +91 22 42305500/02 **F:** +91 22 4230 5555
E-mail: info@arshiyalimited.com | **Website:** www.arshiyalimited.com

ATTENDANCE SLIP
THIRTY-EIGHTH ANNUAL GENERAL MEETING

I, a member/ proxy / authorised representative for a member of the Company, hereby record my presence at the 38th Annual General Meeting of the Company on Monday, the September 30, 2019 at 03.00 p.m. at Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai-400 018.

Registered Folio no./ DP ID no./ Client Id no.		
Name and Address of the Shareholder		
Number of shares held		
If Shareholder(s) please sign here	If Proxy, please mention name and sign here	
	Name of Proxy	Signature

ELECTRONIC VOTING PARTICULARS

EVEN (e- voting event number)	User ID	Password
112346		

Notes:

(1) Shareholders / Proxy holders as the case may be are requested to produce the attendance slip duly signed at the Meeting entrance.

(2) Members holding shares in physical form, are requested to advise change in their address, if any, to the Registrar & Share Transfer Agent, Big Share Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai 400059.

ARSHIYA LIMITED

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ARSHIYA LIMITED

CIN: L93000MH1981PLC024747
Regd Off: - 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018 **Tel:** 022 4230 5500 **Fax:** 022 4230 5555
E-mail: info@arshiyalimited.com **Website:** www.arshiyalimited.com

38TH ANNUAL GENERAL MEETING
Time & Date: 03:00 p.m., Monday, 30th September, 2019
Venue: Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai – 400 018.

BALLOT PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Arshiya Limited
Registered office: 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018

Sl. No.	Particulars	Details
1.	Name of the First Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Shares	Equity

I hereby exercise my vote in respect of Ordinary/Special resolutions enumerated below by recording my assent or dissent to the said resolution in the following manner:

Item No.	Resolutions	No. of shares held by me	I assent to the resolution	I dissent from the resolution
ORDINARY BUSINESS:				
1	**Adoption of Annual Accounts of the Company as on March 31, 2019.** (Ordinary Resolution)			
2	**Appointment of Mrs. Archana A. Mittal as director liable to retire by rotation.** (Ordinary Resolution)			
SPECIAL BUSINESS:				
3	**Ratification of Remuneration to Cost Auditor** (Ordinary Resolution)			
4	**To re-appoint Mr. Ashishkumar Bairagra (DIN 00049591) as an Independent Director.** (Special Resolution)			
5	**To re-appoint Mr. Rishabh Shah (DIN 00694160) as an Independent Director.** (Special Resolution)			
6	**To approve and adopt Arshiya Limited Employee Stock Option Scheme 2019.** (Special Resolution)			
7	**To approve grant of Stock Options to the Employees/Directors of Holding, and/or Subsidiary Company (ies) (Present & Future) under the Scheme 2019.** (Special Resolution)			

8	**Approval for sale of the Company's undertaking in Arshiya Rail Infrastructure Limited, a wholly owned material subsidiary of the Company.** (Special Resolution)			
9	**Approval for sale of the Company's undertaking in Arshiya Industrial & Distribution Hub Limited, a wholly owned material subsidiary of the Company.** (Special Resolution)			
10	**Approval for Appointment of Mr. Ananya A Mittal as Chief Strategy Officer of the Company.** (Ordinary Resolution)			
11	**Issue of equity shares on preferential basis:** (Special Resolution)			

Place:
Date:

(Signature of the shareholder)