Arshiya

Ref: AL/SE/0620/04

Date: 27.06.2020

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
2™4 Floor, Dalal Street,
Mumbai — 400 001
Fax No. 2272 3121/2037

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

Re.: - Arshiya Limited ("the Company") —

NSE Scrip Name: ARSHIYA
BSE Scrip Code: 506074

Subject: Outcome of Board Meeting – Financial Results, Appointment and Resignation of Independent Director.

Dear Sir/Madam,

This is to inform you that the Board of Directors of the Company at its meeting held today i.e. Saturday, 27th June, 2020, has inter-alia: Considered, approved and taken on record the following matters:

1. Pursuant to Regulation 30, 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Audited Financial Results (Standalone and Consolidated) along with Report of the Statutory Auditors, declaration of unmodified opinion by Managing Director on Standalone Financials and Disclosure of the Impact of Audit Qualifications on Consolidated Financials is enclosed herewith for your reference and records for the 4th quarter and year ended 31st March, 2020, which was reviewed by the Audit Committee and considered and approved by the Board and Chaturvedi & Shah LLP, Statutory Auditors of the Company.

ARSHIYA LIMITED MUMBAI

2. Approved appointment of Mr. Ved Prakash (DIN: 02988628) Additional Director (Non-executive & Independent) on the Board of the Company with immediate effect i.e. effective 27" June, 2020. He shall hold office as an Independent Director for a period of 5 years subject to approval of the shareholders at ensuing Annual General Meeting. A brief profile of Mr. Ved Prakash, is as enclosed herewith as an ***Annexure — I***. Mr. Ved Prakash is neither related to any of the Directors or KMP nor to the promoters of the Company.

3. Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Para A of Part A of Schedule III to the said Regulations, we hereby inform that Mr. Tara Sankar Bhattacharya, has tendered resignation from the position of the Independent Director of the Company with effect from June 27, 2020. The details required under Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 is as enclosed herewith as an ***Annexure — II***.

Kindly take the above on your records.

The meeting concluded at 05.45 P.M.

For ARSHIYA LIMITED

ARSHIYA LIMITED MUMBAI

Ajay S Mittal
Chairman & Managing Director
DIN: 00226355

Sr. No.	Disclosure Requirements	Details
1.	**Reason for change, viz. appointment, ~~resignation, removal, death or otherwise~~**	Appointment of Mr. Ved Prakash as an Additional Director (Non — Executive, Independent Director) of the Company, subject to approval of the Shareholders at ensuing AGM
2.	**Date of appointment / ~~cessation~~ (as applicable) & term of appointment**	27th June, 2020
3.	**Brief profile**	Mr. Ved Prakash received his B.Tech and PGDM from IIT Delhi and IIM Kolkata respectively, and also he is pursuing for PHD in International Trade. He is also very active in developing Free Trade Warehousing Zones (FTWZs) and related service organizations. Mr. Ved Prakash is also a Director in Free Trade Warehousing Private Limited and Greater Noida Integrated Warehousing Private Limited (100% F.SUB.CO). Further disclosure required pursuant to Regulation 30 of the Listing Regulations read with Para A of Part A of Schedule III to the Listing Regulations read with the SEBI Circular having reference no. CIR/CFD/CMD/4/2015 dated September 9, 2015, with regard to change in Directors and Key Managerial Personnel is given herein under
4.	**Disclosure of relationships between Directors (in case of appointment of a Director**	Mr. Ved Prakash, is not related to any of the Promoters, Members of the Promoter Group and Directors of the Company and is not debarred from holding the office of Director by virtue of any order of Securities and Exchange Board of India (SEBI) or any other such authority.
5.	**Shareholding**	Nil

ARSHIYA LIMITED MUMBAI

Arshiya

Annexure - II

Sr. No.	Disclosure Requirements	Details
1.	**Reason for change, viz. ~~appointment,~~ resignation~~, removal, death or otherwise~~**	Resignation due preoccupation. Mr. Tara Sankar Bhattacharya has been associated with the Company since May 24, 2018. Mr. Tara Sankar Bhattacharya has expressed his intention to resign as an Independent Director of the Company with effect from i.e. 27th June, 2020
2.	**Date of ~~appointment~~ / cessation (as applicable) & term of appointment**	27th June, 2020

ARSHIYA LIMITED MUMBAI

Arshiya Limited

Regd. Off.: 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018. India.
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CIN : L93000MH1981PLC024747

ARSHIYA LIMITED

Background

Arshiya Limited (AL / Arshiya) is one of the leading Logistics Infrastructure Developer and 3PL solution provider in India. Arshiya is a Developer of Free Trade & Warehousing Zones (FTWZ) and also a pioneer in setting up the first FTWZ, first of its kind in the country under SEZ Act.

Strategic Location

Our Panvel & Khurja FTWZ zones are well located along the coastal or border regions and will serve as major gateways for trade and investment flows which offer time and cost advantage by enabling quicker regulatory clearances, tax and duty incentives, flexibility, visibility and reduced working capital expenses *(as same developed like Shanghai Free-Trade Zone in China)* . Both our FTWZs will not only help to optimize the strategic distribution needs of customer, but also serve major national strategies such as the Air and Road Initiative by the government, as follows

- Panvel FTWZ with notified area of 143 acres of land, about 24 km south-west from the Jawaharlal Nehru Port Trust (JNPT) and ~23 kms from upcoming Navi Mumbai International Airport (NMIA) at Panvel (near Mumbai), in the State of Maharashtra
- Khurja FTWZ with notified area of 127 acre of land, which is well connected to New Delhi (approximately 120 km) via existing road and rail network. It is approximately 30 km from the Yamuna Expressway and the proposed international airport at Jewar being developed by Zurich Airport.

Multi-Sector SEZ

Recently, the central government has notified that all notified and existing Special Economic Zones (SEZs) shall be deemed to be multi-sector economic zones. Earlier, it required 500 hectare to get notified as a multi-sector SEZs, now brought down to 50 hectare. Accordingly, the Company has applied to the concerned authorities to convert Arshiya's FTWZs into multi-sector SEZs.

This will enable the Company to offer additional value propositions to its clients and increase its business to a great extent, including 'Contract Manufacturing' in line with Global Free Zones. With such initiatives, India became an attractive hub for foreign investments in the manufacturing sector. Several pharma, mobile phone, luxury and automobile brands, among others, are looking to establish their manufacturing bases in the country which create huge demand and shifting of Contract Manufacturing from China and other Countries.

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CIN : L93000MH1981PLC024747

COVID-19 Impact

Pursuant to outbreak of coronavirus disease (COVID-19) worldwide and its declaration as global pandemic, the Government of India declared lockdown on March 24, 2020. However, all our operations were uninterrupted (being categorized as Essential Services) vide the order from Government of India (GOI) through its Ministry of Home Affairs has provided the guidelines with his order no.40-3/2020-DM-I(A) dated 24-03-2020 for ensuring the conservation of essential services and supplies, the operations of the Company are categorized under essential services. This unprecedented lockdown situation did not impact our ongoing businesses at our respective FTWZ in Panvel and Khurja.

ARSHIYA LIMITED MUMBAI

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF

ARSHIYA LIMITED

Report on the audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying standalone quarterly financial results of **Arshiya Limited** ("the Company") for the quarter ended 31st March, 2020 and the year to date results for the period from 1st April, 2019 to 31st March, 2020 ("the statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us except for the effects of matter described in the *Basis of qualified opinion*, these standalone financial results:

i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter ended 31st March, 2020 and the year to date results for the period from 1st April, 2019 to 31st March, 2020.

Basis for Qualified Opinion

As mentioned in the Note No. 6 to the statement, the Company has provided penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%. Interest provisions in earlier period / years were accounted based on the confirmations received from EARC. It has resulted in the short provision of interest amounting to Rs. 1,497.96 Lakh till the year ended 31st March 2019 and for the quarter and year ended 31st March 2020 amounting to Rs. 174.24 Lakh and Rs. 700.78 Lakh, respectively, which is not in compliance with Ind AS-23 "Borrowing Cost" read with Ind AS-109 "Financial Instruments". In aggregate interest provisions are lower by Rs. 2,198.74 Lakh till 31st March 2020. Had interest been recognised at its documented rate, finance cost for the quarter and year ended

31st March 2020 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* 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 results 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

i. We draw attention to the Note no. 7 to the Statement, regarding settlement of disputed liabilities with the erstwhile subsidiary for the period prior to its disposal and disclosure of settlement amount of Rs. 6551.81 Lakh as exceptional item.

ii. We draw attention to the Note no. 9 to the Statement, 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.

iii. We draw attention to the Note no. 10 to the Statement, regarding Company's non-current investment in Arshiya Northern FTWZ Limited (ANFTWZ) and its loans dues amounting to Rs. 45322.25 Lakh and Rs. 14272.43 Lakh, respectively. The operations of ANFTWZ are dependent on business plans and various steps taken by the management. Based on this and other factors stated in aforesaid note, management has considered that no adjustment, at this stage, are required to be made to the carrying value of investment and receivables as at 31st March, 2020.

iv. We draw attention to the note no. 12 of the Statement, pending execution of restructuring agreement for assignment of its debt to Edelweiss Asset Reconstruction Company (EARC), the Company has continued to provide interest for the quarter and year ended 31st March, 2020 in line with major terms negotiated with EARC in case of other agreements.

Continuation sheet...

v. As at 31st March, 2020 balance confirmations from 3 lenders with respect to borrowings including interest accrued thereon aggregating to Rs. 845.92 Lakhs have not been received.

Our opinion on the Statement is not modified in respect of these matters.

Material uncertainty related to going concern:-

We draw attention to the Note no. 13 of the statement, the Company is unable to pay it's dues to operational and financial creditors, the Company has defaulted in repayment of dues to lenders and started recovery proceeding, the Company has given guarantees for loan taken by the subsidiaries out of which guarantees are invoked by two lenders, some of the lenders have even called back their loans, current liabilities exceeded its current assets of the Company, lenders have applied before NCLT under Insolvency and Bankruptcy Code, 2016, and the Company have accumulated losses as at 31st March 2020. These matters including other matters as set out in the notes indicate that a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern. The management's plans as a developer of the business indicate that monetization will happen periodically, and staggered but significant payments will be received to streamline the cash flows. These along with other developments in the sector are detailed in the notes. The said assumption of going concern is critically dependent upon Company's plan to monetize its assets in timely manner and generate cash flows to meet its obligations. Our opinion is not modified in respect of the said matter.

Management's Responsibilities for the Standalone Financial Results

The Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results
Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 standalone financial results.

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

- Identify and assess the risks of material misstatement of the standalone financial results, 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 standalone financial results, including the disclosures, and whether the financial results 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.

Other Matter

We report that the figures for the quarter ended 31st March, 2020 represent the derived figures between the audited figures in respect of the financial year ended 31st March, 2020 and the published unaudited year-to-date figures up to 31st December, 2019 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us. Our opinion is not modified in respect of this matter.

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

Vijay Napawaliya
Partner
Membership Number: 109859

UDIN: 20109859AAAACG1100

Place: Mumbai
Date: 27/06/2020

Arshiya Limited

CIN: L93000MH1981PLC024747
Registered Office: 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai- 400 018
Phone No. 022 42305500 # Email id: info@arshiyalimited.com # website: www.arshiyalimited.com

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakhs)

Sr.No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Refer note no.2)	(Unaudited)	(Refer note no.2)	(Audited)	(Audited)
1	**Income**					
	(a) Revenue from operations	6,006.40	5,708.93	4,913.35	23,868.15	13,139.98
	(b) Other Income	276.00	421.72	428.48	1,229.28	2,192.48
	Total Income	**6,282.40**	**6,130.65**	**5,341.83**	**25,097.43**	**15,332.46**
2	**Expenses**					
	(a) Cost of Inventories (Leased Land)	1,100.50	1,434.07	1,207.44	5,775.28	2,583.34
	(b) Material Handling and Other Charges	12.55	12.89	20.79	50.69	87.63
	(c) Employee benefits expense	269.95	297.06	446.76	1,272.91	1,720.28
	(d) Finance costs	3,378.54	3,366.34	2,893.92	13,122.32	11,236.53
	(e) Depreciation and amortization expense	354.94	475.05	366.11	1,571.09	1,482.22
	(f) Other expenses	198.23	152.90	172.12	695.07	1,038.20
	Total Expenses (a+b+c+d+e+f)	**5,314.71**	**5,738.31**	**5,107.14**	**22,487.36**	**18,148.20**
3	**Profit/(Loss) before exceptional items and Tax (1-2)**	**967.69**	**392.34**	**234.69**	**2,610.07**	**(2,815.74)**
4	Exceptional Items (Net) (Refer note no.7 & 14)	1,07,752.25	170.00	700.75	1,08,062.25	700.75
5	**Profit/(Loss) before tax (3-4)**	**(1,06,784.56)**	**222.34**	**(466.06)**	**(1,05,452.18)**	**(3,516.49)**
6	Tax expense	1,102.96	-	-	1,102.96	-
7	**Net profit/(Loss) after Tax (5-6)**	**(1,07,887.52)**	**222.34**	**(466.06)**	**(1,06,555.14)**	**(3,516.49)**
8	**Other Comprehensive Income**					
	Items that will not be reclassified to profit and loss:					
	Remeasurement of net defined benefit plan	(0.14)	22.43	9.55	26.35	8.11
9	**Total Comprehensive Income**	**(1,07,887.66)**	**244.77**	**(456.51)**	**(1,06,528.79)**	**(3,508.38)**
10	**Paid-up equity share capital (Face value per share Rs. 2/-)**	**5,161.52**	**4,925.27**	**4,872.29**	**5,161.52**	**4,872.29**
11	**Other Equity excluding Revaluation reserve**				**65,175.74**	**1,66,643.28**
12	**Earnings Per Equity Share (EPS) in Rs.**					
	- Basic	(42.42)*	0.09*	(0.19)*	(43.13)	(1.48)
	- Diluted	(42.42)*	0.09*	(0.19)*	(43.13)	(1.48)
	(*not annualised)					

ARSHIYA LIMITED MUMBAI

Arshiya Limited

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AUDITED STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(Rs. in Lakhs)

Sr.No.	Particulars	As at 31.03.2020	As at 31.03.2019
I	**ASSETS**		
	Non-Current Assets		
	(a) Property, Plant and Equipment	71,001.14	73,858.36
	(b) Right of use assets	164.41	-
	(c) Capital Work-in-Progress	-	76.02
	(d) Intangible Assets	525.93	845.86
	(e) Intangible Assets Under Development	60.00	60.00
	(f) Financial Assets		
	(i) Investments	50,149.73	1,34,680.02
	(ii) Loans	1,940.60	1,732.14
	(iii) Trade Receivables	7,006.05	6,061.50
	(g) Other Non-Current Assets	682.33	3,320.34
		1,31,530.19	**2,20,634.24**
	Current assets		
	(a) Inventories	12,537.34	16,505.97
	(b) Financial Assets		
	(i) Trade Receivables	15,961.93	814.64
	(ii) Cash and Cash Equivalents	9.67	5.86
	(iii) Bank Balances Other than (ii) above	16.15	15.17
	(iv) Loans	17,455.78	30,327.14
	(v) Other Financial Assets	3,647.85	4,082.95
	(c) Other Current Assets	1,966.54	2,134.00
		51,595.26	**53,885.73**
	(d) Assets held for sale (Refer note no. 15)	1,145.89	-
	Total Assets	**1,84,271.34**	**2,74,519.97**
II	**EQUITY AND LIABILITIES**		
	Equity		
	(a) Equity Share Capital	5,161.52	4,872.29
	(b) Other Equity	65,175.74	1,66,643.28
		70,337.26	**1,71,515.57**
	Liabilities		
	Non Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	54,419.60	60,267.20
	(ii) Lease Liabilities	77.02	-
	(iii) Other Financial Liabilities	874.93	1,612.72
	(b) Provisions	90.56	118.93
		55,462.11	**61,998.85**
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	9,348.38	9,261.16
	(ii) Trade Payables		
	Micro and Small Enterprises	188.37	37.88
	Others	814.19	1,125.40
	(iii) Lease Liabilities	97.91	-
	(iv) Other Financial Liabilities	44,418.04	29,138.65
	(b) Other Current Liabilities	3,580.39	1,434.11
	(c) Provisions	7.14	8.35
		58,454.42	**41,005.55**
	(d) Liabilities associated with assets classified as held for sale (Refer note no. 15)	17.55	-
	Total Equity and Liabilities	**1,84,271.34**	**2,74,519.97**

MUMBAI

Arshiya Limited

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AUDITED STANDALONE SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Refer note no.2)	(Unaudited)	(Refer note no.2)	(Audited)	(Audited)
1	**Segment Revenue**					
	FTWZ/SEZ	5,973.85	5,677.43	4,882.35	23,741.10	13,018.98
	Domestic Warehousing	32.55	31.50	31.00	127.05	121.00
	Total Revenue from Operations	**6,006.40**	**5,708.93**	**4,913.35**	**23,868.15**	**13,139.98**
2	**Segment Results Before Tax and Interest**					
	FTWZ/SEZ	4,065.12	3,461.60	2,717.61	14,609.98	6,329.30
	Domestic Warehousing	31.02	31.15	29.59	128.83	119.34
	Total	**4,096.14**	**3,492.75**	**2,747.20**	**14,738.81**	**6,448.64**
	Less: Unallocated Expenses net of Income	(250.09)	(265.93)	(381.41)	(993.58)	(1,972.15)
	Less: Finance Costs	3,378.54	3,366.34	2,893.92	13,122.32	11,236.53
	Less: Exceptional Items (Net) (Refer note no.7 & 14)	1,07,752.25	170.00	700.75	1,08,062.25	700.75
	Profit/(Loss) before tax	**(1,06,784.56)**	**222.34**	**(466.06)**	**(1,05,452.18)**	**(3,516.49)**
3	**Segment Assets**					
	FTWZ/SEZ	1,06,034.47	1,05,678.05	1,00,216.60	1,06,034.47	1,00,216.60
	Domestic Warehousing	7,544.87	7,507.99	7,564.07	7,544.87	7,564.07
	Unallocated	69,546.11	1,74,106.78	1,66,739.30	69,546.11	1,66,739.30
	Total Assets of Continuing Operations	**1,83,125.45**	**2,87,292.82**	**2,74,519.97**	**1,83,125.45**	**2,74,519.97**
	Assets of Discontinuing Operations	1,145.89	1,140.89	-	1,145.89	-
	Total Assets of Continuing and Discontinuing Operations	**1,84,271.34**	**2,88,433.71**	**2,74,519.97**	**1,84,271.34**	**2,74,519.97**
4	**Segment Liabilities**					
	FTWZ/SEZ	5,837.15	5,329.26	3,833.02	5,837.15	3,833.02
	Domestic Warehousing	2.31	2.06	2.22	2.31	2.22
	Unallocated	1,08,077.07	1,04,906.00	99,169.16	1,08,077.07	99,169.16
	Total Liabilities of Continuing Operations	**1,13,916.53**	**1,10,237.32**	**1,03,004.40**	**1,13,916.53**	**1,03,004.40**
	Liabilities of Discontinuing Operations	17.55	26.27	-	17.55	-
	Total Liabilities of Continuing and Discontinuing Operations	**1,13,934.08**	**1,10,263.59**	**1,03,004.40**	**1,13,934.08**	**1,03,004.40**

ARSHIYA LIMITED MUMBAI

Arshiya Limited

CIN: L93000MH1981PLC024747
Registered Office: 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai- 400 018
Phone No. 022 42305500 # Email id: info@arshiyalimited.com # website: www.arshiyalimited.com

Audited Standalone Cash Flow Statement for the year ended 31st March, 2020

(Rs. in Lakh)

Particulars		Year Ended 31st March, 2020	Year Ended 31st March, 2019
Cash flow from operating activities			
Profit/(Loss) before tax		(1,05,452.18)	(3,516.49)
Adjustments for			
Sundry balances written back (net)		(25.49)	(206.27)
Discarding/written off of Capital Work in progress, Property, plant and equipment and Intangible assets		26.50	166.34
Profit on disposal of Property, plant and equipment (net)		(0.38)	(0.33)
Bad debts		34.85	3.16
Written back / Allowance for doubtful debts		(23.49)	8.68
Exceptional Items (net)		1,08,062.25	700.75
Depreciation and amortization expense		1,571.09	1,482.22
Finance costs		13,122.32	11,236.53
Unwinding interest income on loan to subsidiaries		(208.46)	(420.02)
Interest income on fixed deposits		(1.09)	(0.19)
Interest income on others		(152.79)	-
Interest income on tax refund		(180.59)	-
Liability Component of Compound Financial Instruments (OCRPS)		-	(653.17)
Financial guarantees income		(616.36)	(898.96)
Gain on derecognised of Financial guarantee income		(10.97)	-
Gain on disposal of investment in subsidiary		(5.00)	-
Gain on Lease modification		(2.51)	-
Share based payment		23.15	-
Foreign exchange difference (net)		41.20	12.81
Operating profit before working capital changes		16,202.05	7,915.06
Adjustments for			
Change in Inventories		5,775.28	2,583.34
(Increase) in financial and other assets		(17,302.43)	(9,356.47)
Increase/(decrease) in financial and other liabilities		(4,763.58)	(844.68)
Cash generated from operations		(88.68)	297.25
Direct taxes paid (net of refunds)		693.69	(118.27)
Net cash flow from operating activities	(A)	605.01	178.98
Cash flow from investing activities			
Purchase of property, plant and equipments		(26.33)	(49.78)
Purchase of Capital work in progress and Intangible assets under development		-	(45.37)
Proceeds from sale of property, plant and equipment		0.70	2.38
Capital advance		-	(1,020.41)
Investment made in equity shares		(1.00)	(23.00)
Sale of Investment in subsidiaries		10.00	-
Loans given to subsidiaries (net)		1,904.84	1,892.10
Interest income on Loan to other		152.79	-
Interest income on fixed deposits		0.11	0.19
Net cash flow from investing activities	(B)	2,041.11	756.11
Cash flow from financing activities			
Money received against share warrants		-	15.00
Share issue expenses		(13.13)	-
Proceeds from non-current borrowings		-	2,611.82
Repayment of non-current borrowings		(11.37)	(1,248.03)
Short-term borrowings (Net)		87.22	(1,227.65)
decrease in other bank balances		-	(15.17)
Unpaid Dividend transfer to IEPF A/c		-	(0.04)
Lease liability paid		(122.94)	-
Interest paid		(2,582.09)	(1,200.89)
Net cash flow from financing activities	(C)	(2,642.31)	(1,064.96)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		3.81	(129.87)
Cash and cash equivalents at the beginning of the year		5.86	135.73
Cash and cash equivalents at the end of the year		9.67	5.86

ARSHIYA LIMITED MUMBAI

Notes to Audited Standalone Financial Results:

1. The Audit Committee has reviewed the results and the Board of Directors has approved these results, for the quarter and year ended 31st March, 2020, and its release in the meeting held on 27th June 2020.

2. Figures of the quarter ended 31st March, 2020 and 31st March, 2019 are the balancing figures between audited figures in respect of the full financial year and year to date figures up to the third quarter of the relevant financial year.

3. The Hon'ble National Company Law Tribunal (NCLT), Mumbai by its order dated 6th December 2019 has approved Scheme of Arrangement for merger of Arshiya Industrial and Distribution Hub Limited (AIDHL) and Arshiya Transport and Handling Limited (ATHL) into Arshiya Rail Infrastructure Limited (ARIL), all wholly owned subsidiaries of the Company. Pursuant to the order the scheme has become effective on 6th January 2020 and, AIDHL and ATHL stand amalgamated with ARIL from the appointed date i.e. 1st October 2015. In consideration, 1 equity share of ARIL of Rs. 10/- each fully paid up for every 1 equity share held by the Company in AIDHL and ATHL is in the process of being allotted.

4. World Health Organisation (WHO) declared the outbreak of Coronavirus Disease (COVID-19) a global pandemic on 11th March, 2020. Consequent to this, the Government of India declared lockdown on 23rd March, 2020. The operations of the Company are categorized under essential services and were uninterruptedly functional even during lockdown, despite being marginally impacted due to various manpower issues like shortage of staff and labour since certain areas were under containment zone and due to travel restrictions. The Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets, as at 31st March 2020, comprising investments, inventories and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

5. The Board of Directors of the Company at their meeting held on 24th May, 2018, had approved a Composite Scheme of Arrangement for Demerger of the Domestic Business undertaking of the Company with Arshiya Rail Infrastructure Limited ("ARIL") to reorganize its corporate structure spread across group companies and in order to integrate / consolidate its operations.

   A Court convened Extra Ordinary General Meeting of Equity Shareholders of the Company was held on 13th January 2020, pursuant to the Order dated 9th December 2019 passed by the Hon'ble National Company Law Tribunal (NCLT). The shareholders of the Company have approved the Composite Scheme of

Arrangement between Arshiya Limited ("Demerged Company") and Arshiya Rail Infrastructure Limited ("Resulting Company").

The said Scheme has been approved by shareholders, unsecured creditors of the respective companies and is subject to approval of secured lenders of the Company and Arshiya Rail Infrastructure Limited. The aforesaid Scheme shall be given effect after receipt of necessary regulatory approvals.

As a matter of prudence and as per the accounting treatment described in the scheme of arrangement, the Company has created necessary provisions to the carrying value of investment in and loans receivables from ARIL, as on 31st March 2020.

6. Upon signing of Restructuring Agreement with Edelweiss Assets Reconstruction Company Limited (EARC) on 31st March 2017, the Company is accruing penal interest on restructured debt @ 8% p.a. based upon the balance confirmation provided by EARC till 30th September 2019 against the documented rate of 18% per annum. It has resulted in the short provision of penal interest amounting to Rs. 1,497.96 Lakh till the year ended 31st March, 2019 and for the quarter and year ended 31st March 2020 amounting to Rs. 174.24 Lakh and Rs. 700.78 Lakh respectively. In aggregate penal interest provisions are lower by Rs. 2,198.74 Lakh till 31st March 2020. The Company represented to EARC for revision in penal interest and the same is under discussion. The Auditors have issued a modified opinion in respect of the said matter in their audit report.

7. Exceptional items include Rs. 6,551.81 Lakh towards settlement of disputed statutory liability related to its erstwhile wholly owned subsidiary. Post hiving off this Subsidiary, the Company had received a notice from the aforesaid erstwhile Subsidiary informing about the litigation with respect to statutory liability under Finance Act, 1994, pertaining to the period when it was a subsidiary of the Company. Based on the opinion and advise received from independent professionals and experts, to avoid probable litigation(s) a Settlement Agreement has been entered into with the erstwhile Subsidiary. The Auditors have referred to this as an emphasis of matter in their audit report.

8. On 30th January, 2020 by virtue of approval accorded by the members of the Company in respect of Arshiya Limited employees Stock Option Scheme, 2019 (hereinafter referred to as the "Scheme, 2019") the Board of Directors of the Company approved grant of 17,50,000 (Seventeen Lakh Fifty Thousand Only) Employee Stock Options to some of the eligible and deserving employees of the Company and a subsidiary under the Scheme, 2019.

9. The Company had issued a corporate guarantee of Rs. 31,378.45 Lakh to the lenders of Arshiya Northern FTWZ Limited ("ANFL") a subsidiary Company. This guarantee has been invoked by the lenders since ANFL had defaulted in servicing

its borrowings towards principal and interest. The Company has carried out a 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 the borrowing. Accordingly, no provision is required towards the guarantee so invoked. The Auditors have referred to this as an emphasis of matter in their audit report.

10. Based on Arshiya Northern FTWZ Limited's (ANFL, a subsidiary of the Company), business re-structuring and revival plans and, the in-principle term sheet signed with Ascendas Property Fund Trustee Pte. Ltd. ("Ascendas") for monetisation of warehouse and given the fact that ANFL's revenue from operations have also increased during the year ended 31st March 2020, an assessment was carried out by the management of the Company and hence no provision for impairment on it's investment and loan to ANFL is considered necessary as on 31st March 2020. The Auditors have referred to this as an emphasis of matter in their audit report.

11. The balance confirmations of trade receivables and trade payables. During the course of preparation of standalone financial statements, e-mails have been sent to various parties, in respect of trade receivables and trade payables, etc. by the Company with a request to confirm their balances out of which only few parties have responded, accordingly, the possible adjustment, if any, required in the financial statements will be accounted as and when the same is determinable.

12. One of the Public Financial Institution (PFI) and one of the Non-Banking Financial Company (NBFC) which were lenders, have assigned their debts to EARC. The Company continues to provide interest in line with major terms negotiated with EARC until the finalisation of the restructuring agreement. Upon finalization of the terms of restructuring with EARC, the Company shall record the effect of the revised terms as to the repayment of principal and interest in the period in which it is completed. The Auditors have referred to this as an emphasis of matter in their audit report.

13. The focussed emphasis of the Government on logistics infrastructure sector is a big boon for the Company's business plan. The recent amendments in the SEZ policy, allowing manufacturing within the FTWZs will enhance the scope of activities carried out by FTWZ exponentially and will improve the Company's ability to expand the client base multi-fold. This will enable the Company to offer additional value propositions to its clients and increase its business to a great extent, including 'Contract Manufacturing' in line with Global Free Zones. The management's plans as a developer of the business indicate that monetization will happen periodically, and staggered but significant payments will be received to streamline the cash flows.

Further, India is witnessing a rapid growth in internet penetration and telecommunication technology. The expansion of the consumer base is complemented by the Government's drive to digitalise the economy, all of which is propelling the demand for data centres in India. This has enhanced the Company's capabilities to expand its business into data centre and related infrastructure. The Company has received the requisite approval from the concerned authority for the development of an additional sector i.e. Electronic Hardware and Software (including IT/ITES) at its existing facility at Panvel.

A detailed business plan validation recently has been carried out jointly by the lenders and the Company through a reputed consulting firm for assessment of the potential of FTWZ and data centre businesses. The outcome of the same is extremely encouraging.

In light of all the above developments and considering the ongoing transaction executed with Ascendas for monetisation of a new multi-storied warehouse at Panvel and given the fact that the facilities have been built at strategic locations, the management's view on the future outlook of its business is very promising. This has been well recognised by many marquee existing clients and new clients. This has thrown up a large opportunity for which the Company is now bracing itself and is confident of seeing positive results in coming years. Accordingly, the Financial Statements have been prepared on a going concern basis.

14. The exceptional items during the quarter and year ended 31st March 2020 represent, loss on account of settlement for various claims amounting to Rs. 6,551.81 Lakh and Rs. 6,861.81 Lakh respectively, and provisions for carrying value of investment in a subsidiary and loans to a subsidiary amounting to Rs. 101,200.44 Lakh and Rs. 101,200.44 Lakh respectively.

15. The Company has entered into conditional Share Purchase Agreements with Ascendas Property Fund (India) Pte. Ltd. ("APFI") for sale of entire equity shares of Anomalous Infra Private Limited ("AIPL") and Arshiya Northern Projects Private Limited ("ANPPL") to APFI, upon fulfilment of certain conditions precedent and is subject to various approvals. Hence, investment in AIPL and ANPPL has been considered as Investment held for sale and discontinued operation as per Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations". As per transaction documents related to AIPL, the construction activities of the new multi-storied warehouse building at FTWZ Panvel are going as per its envisaged schedule.

16. The lender of ANFL and ARIL have filed petition against respective companies for recovery of dues at NCLT under Insolvency and Bankruptcy Code, 2016. The lender of ANFL has also called upon the Company as a corporate guarantor to the said loan. The matter is pending for pre-admission stage.

ARSHIYA LIMITED MUMBAI

17. Certain creditors have initiated legal proceedings against the Company and its Directors. Majority of the creditors have been settled over the past few years and some of the creditors have shown interest and faith in the Group as well as in the logistics infrastructure sector and agreed to settle their outstanding liability by converting into Compulsory Convertible Debenture (CCD's) of the Company.

During the quarter ended 31st March, 2020 the Board of Directors has approved allotment of 1,18,12,500 equity shares of face value of Rs. 2/- each to the allottees upon conversion of outstanding 3,78,000 Compulsory Convertible Debentures (CCD's) of face value of Rs. 1,000/- each which were issued to the Creditors, as per SEBI regulation. Post the aforesaid allotment the paid-up equity capital of the Company is Rs. 5,161.51 Lakh comprising of 25,80,75,915 Equity Shares of Rs. 2/- each.

18. Effective 1st April, 2019, the Company has adopted Ind AS 116 – "Leases" and applied the revised standard to all lease contracts thereby capitalising assets taken on operating lease existing on 1st April, 2019, using the modified retrospective method, without adjustment of comparatives. This has resulted in recognizing a Right-of-Use asset and a corresponding Lease Liability of Rs. 332.38 Lakh as at 1st April, 2019. The impact on the profit for the quarter ended / year ended is not material.

19. As per Ind AS 108 "Operating Segment" the Company has identified and reported segment information in two segments as under:
    (i) Developing and Operating Free Trade & Warehousing Zone (FTWZ) and Special Economic Zone (SEZ)
    (ii) Domestic Warehousing

    The assets and liabilities that cannot be allocated between the segments are shown as unallocable assets and liabilities respectively.

20. The figures for the previous period / year have been re-grouped / re-arranged, wherever necessary, to correspond with the current period's classification/ disclosures.

For and on behalf of Board of Directors of Arshiya Limited

Ajay S Mittal
Chairman & Managing Director
DIN No.: 00226355

ARSHIYA LIMITED MUMBAI

Place: Mumbai
Date: 27th June, 2020

Arshiya

ARSHIYA LIMITED

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020

[*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in Lakhs)

I.	Sl. No.	Particulars	Audited Figures as of Mar-2020 (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	25,097.43	25,097.43
	2.	Total Expenditure (net of exceptional item)	(130,549.61)	(132,748.35)
	3.	Net Profit/(Loss) after Tax	(106,555.14)	(108,753.88)
	4.	Earnings Per Share (in Rupees per share)	(43.13)	(44.02)
	5.	Total Assets	184,271.34	184,271.34
	6.	Total Liabilities	113,934.08	116,132.82
	7.	Net Worth	70,337.26	68,138.52
	8.	Any other financial item(s) (as felt appropriate by the management)		

II. Audit Qualification (each audit qualification separately):

Details of Audit Qualification

As mentioned in the Note No. 6 to the statement, the Company has provided penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%. Interest provisions in earlier period / years were accounted based on the confirmations received from EARC. It has resulted in the short provision of interest amounting to Rs. 1,497.96 Lakh till the year ended 31st March 2019 and for the quarter and year ended 31st March 2020 amounting to Rs. 174.24 Lakh and Rs. 700.78 Lakh, respectively, which is not in compliance with Ind AS-23 "Borrowing Cost" read with Ind AS-109 "Financial Instruments". In aggregate interest provisions are lower by Rs. 2,198.74 Lakh till 31st March 2020. Had interest been recognised at its documented rate, finance cost for the quarter and year ended 31st March 2020 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.

ARSHIYA LIMITED MUMBAI

Arshiya

	b. **Type of Audit Qualification :** Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~
	c. **Frequency of qualification:** ~~Whether~~ appeared first time / ~~repetitive~~ / ~~since how long continuing~~
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The management of the Company has clarified that representations have been made to EARC seeking revision in rate of penal interest and the same is under process.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) **Management's estimation on the impact of audit qualification: NA**
	(ii) **If management is unable to estimate the impact, reasons for the same: NA**
	(iii) **Auditors' Comments on (i) or (ii) above: NA**

III.	**Signatories:**	
	Ajay S Mittal **Chairman & Managing Director** **DIN: 00226355**	Ajay Mittal
	Dinesh Sodani **CFO**	Dsodani
	Ashishkumar Bairagra **Audit Committee Chairman**	Bairagra
	Statutory Auditor Chaturvedi & Shah LLP Registration No. 101720W/W100355 Vijay Napawaliya Partner Membership No.: 109859	VNapawaliya
Place: Mumbai		
Date: 27th June, 2020		

ARSHIYA LIMITED MUMBAI

CHATURVEDI & SHAH LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF

ARSHIYA LIMITED

Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **Arshiya Limited** ("Holding company") and its subsidiaries (Holding company and its subsidiaries together referred to as "the Group") for the quarter ended 31st March, 2020 and for the period from 1st April, 2019 to 31st March, 2020 ("the Statement"), being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us except for the effects of matter described in the *Basis of qualified opinion*, and based on the consideration of the reports of the other auditors on separate financial statements / financial information of subsidiaries, the Statement:

a. The statement includes the results of the entities as mentioned below;

- Arshiya Lifestyle Limited
- Arshiya Logistics Services Limited
- Arshiya Northern Projects Private Limited
- Laxmipati Balaji Supply Chain Management Ltd. (Till 3rd September 2019)
- Arshiya Rail Infrastructure Limited
- Arshiya Northern FTWZ Limited
- Arshiya Industrial & Distribution Hub Limited (Amalgamated with Arshiya Rail Infrastructure Limited)
- Arshiya Transport and Handling Limited (Amalgamated with Arshiya Rail Infrastructure Limited)
- Arshiya Technologies (India) Private Limited
- Arshiya 3PL Services Private Limited
- Anomalous Infra Private Limited
- Arshiya Infrastructure Developers Pvt. Limited
- Unrivalled Infrastructure Pvt. Limited

- Arshiya Panvel FTWZ Services Private Limited (Date of incorporation 28th February 2019)
- Arshiya Panvel Logistics Services Private Limited (Date of incorporation 12th March 2019)
- Arshiya Data Centre Private Limited (Date of incorporation 7th February 2019)

b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and

c. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income comprising of net loss and other comprehensive income and other financial information of the Group for the quarter ended 31st March, 2020 and for the period from 1st April, 2019 to 31st March, 2020.

Basis for Qualified Opinion
As mentioned in the Note No. 6 to the statement, the Group has provided penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%. Interest provisions in earlier period / years were accounted based on the confirmations received from EARC. It has resulted in the short provision of interest amounting to Rs. 1711.75 Lakh till the year ended 31st March 2019 and for the quarter and year ended 31st March 2020 amounting to Rs. 337.95 Lakh and Rs. 1359.21 Lakh, respectively, which is not in compliance with Ind AS-23 "Borrowing Cost" read with Ind AS-109 "Financial Instruments". In aggregate interest provisions are lower by Rs. 3070.96 Lakh till 31st March 2020. Had interest been recognised at its documented rate, finance cost for the quarter and year ended 31st March 2020 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.

As mentioned in Note No. 18 of the statement, a subsidiary company failed to make payment as prescribed as per one time settlement with lender. As a result, event of default has occurred and the entire debt prior to date of settlement become payable along with interest. The subsidiary has not reversed the gain recorded in earlier year and not provided for additional interest till 31st March 2019 Rs. 3500.76 Lakh and for the quarter and year ended 31st March, 2020 Rs. 665.59 Lakh and Rs. 2475.19 Lakh, respectively, aggregating to Rs. 5975.95 Lakh till 31st March , 2020. Had the subsidiary Company reversed the gain recorded in earlier year and provided for additional interest, exceptional item would have been lower by Rs. 6604.55 Lakh and finance cost would have been higher by Rs. 5975.95 Lakh by equivalent amount as mentioned above, having consequential impact on total comprehensive income and other equity.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group and 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 obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

i. We draw attention to the note no. 7 to the statement, regarding settlement of disputed liabilities with the erstwhile subsidiary for the period prior to its disposal and disclosure of settlement amount of Rs. 7500.00 Lakh as exceptional item.

ii. The auditor of one of the subsidiary company in their report on the financial statements of that subsidiary have reported in their report, following paragraph:-
We draw attention to note 8 to the statement regarding recoverability of amounts aggregating to Rs. 322.11 lakhs (including unbilled amount of Rs. 255.45 lakhs) as at March 31, 2020. The Management of the Company is of the view that these amounts are considered to be good and fully recoverable and accordingly, no provision is required to be made in view of the reasons stated in the foregoing note.

iii. We draw attention to the note no. 10 of the statement, pending execution of restructuring agreement for assignment of parent company's debt to Edelweiss Asset Reconstruction Company (EARC), the parent company has continued to provide interest for the quarter and year ended 31st March, 2020 in line with major terms negotiated with EARC in case of other agreements.

iv. As at 31St March, 2020 balance confirmations from 6 of the lenders with respect to borrowings including interest accrued thereon aggregating to Rs. 30,627.52 Lakh and capital advances amounting to Rs. 953.64Lakh have not been received.

Our opinion on the Statement is not modified in respect of these matters.

Material uncertainty related to the Going Concern

We draw attention to the Note no. 11 of the statement, which indicate that the Holding Company and one of the subsidiary company is unable to pay it's dues to operational and financial creditors, the Holding Company and one of the subsidiary company has defaulted in repayment of dues to lenders and started recovery proceeding, some of the lenders have even called back their loans, lenders has applied before NCLT under Insolvency and Bankruptcy Code, 2016 for holding company and it's certain subsidiary companies and the those companies have accumulated losses as at 31st March, 2020. These matters including other matters as set out in the notes indicate that a material uncertainty exists that may cast significant doubt about their ability to continue as a going concern. The Management's plans as a developer of the business indicate that monetization will happen periodically and staggered but significant payments will be received to streamline the cash flows. These along with other developments in the sector are detailed in the notes. The said assumption of going concern is dependent upon Holding Company and one of the subsidiary company's plan to monetize its assets in timely manner and generate cash flows to meet its obligations. Our opinion is not modified in respect of the said matter.

Management's Responsibilities for the Consolidated Financial Results

The Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared on the basis of the consolidated financial statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results 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 results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, 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 the respective Board of

Directors 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 Results
Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

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

- Identify and assess the risks of material misstatement of the consolidated financial results, 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of the Board of Directors' 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 results 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.

Continuation sheet...

- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, 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 results 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

(i) The consolidated financial results include the audited financial results of 5 subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 52213.76 Lakh as at 31st March, 2020, total revenue of Rs. 4548.53 Lakh & Rs. 17693.77 Lakh, total net profit/(loss) after tax of Rs. (536.85) Lakh & Rs. (1277.16) Lakh and total comprehensive income of Rs. (536.20) Lakh & Rs. (1272.77) Lakh for the quarter ended 31st March, 2020 and for the period from 1st April, 2019 to 31st March, 2020 respectively, and cash inflow (net) of Rs. 486.72 Lakh for the period from 1st April 2019 to 31st March 2020, as considered in the consolidated financial results. The independent auditors' reports on financial statements /financial information of these entities have been furnished to us and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Continuation sheet...

Our opinion on the consolidated Financial Results 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.

(ii) We report that the figures for the quarter ended 31st March, 2020 represent the derived figures between the audited figures in respect of the financial year ended 31st March, 2020 and the published unaudited year-to-date figures up to 31st December, 2019 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us.

Our opinion is not modified in respect of above matters.

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

Vijay Napawaliya
Partner
Membership Number: 109859

UDIN: 20109859AAAACH7705

Place: Mumbai
Date: 27th June 2020

Continuation sheet...

Arshiya Limited

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AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(Rs. In Lakhs)

Sr.No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Refer note no.2)	(Unaudited)	(Refer note no.2)	(Audited)	(Audited)
1	**Income**					
	(a) Revenue from operations	6,580.26	7,512.75	7,285.16	29,448.35	28,937.38
	(b) Other Income	349.91	432.83	714.32	1,317.06	2,460.09
	Total Income	**6,930.17**	**7,945.58**	**7,999.48**	**30,765.41**	**31,397.47**
2	**Expenses**					
	(a) Material Handling, value optimisation services and other charges	230.57	283.52	288.84	1,021.59	1,047.75
	(b) Freight Expenses	2,304.29	3,122.93	2,805.60	11,589.12	11,394.61
	(c) Terminal Expenses	119.07	123.76	106.88	440.42	357.55
	(d) Other Operating Expenses	44.15	51.62	116.73	191.44	227.67
	(e) Warehouse storage charges	-	-	1,375.68	-	5,484.67
	(f) Employee benefits expense	691.81	709.94	934.38	3,103.03	3,806.85
	(g) Finance costs	8,609.24	8,533.90	7,770.56	33,625.39	27,559.39
	(h) Depreciation and amortization expense	3,524.27	3,692.09	2,305.98	14,284.97	9,419.56
	(i) Other expenses	705.39	979.69	1,022.24	3,694.87	4,004.93
	Total Expenses	**16,228.79**	**17,497.45**	**16,726.89**	**67,950.83**	**63,302.98**
3	**Profit/(Loss) before exceptional and Tax (1-2)**	**(9,298.62)**	**(9,551.87)**	**(8,727.41)**	**(37,185.42)**	**(31,905.51)**
4	Exceptional Items (Net) (Refer note no.7 & 12)	7,497.50	172.50	1,023.76	7,810.00	(5,167.04)
5	**Profit/(Loss) before tax (3-4)**	**(16,796.12)**	**(9,724.37)**	**(9,751.17)**	**(44,995.42)**	**(26,738.47)**
6	Tax expense	986.23	18.49	1.46	1,109.93	6.98
7	**Net profit/(Loss) after Tax from Continuing Operations (5-6)**	**(17,782.35)**	**(9,742.86)**	**(9,752.63)**	**(46,105.35)**	**(26,745.45)**
8	Profit/(loss) from Discontinuing Operations (Refer note no. 13)	(44.14)	(38.07)	-	(111.10)	(12.40)
9	**Net profit/(Loss) after Tax (7+8)**	**(17,826.49)**	**(9,780.93)**	**(9,752.63)**	**(46,216.45)**	**(26,757.85)**
10	**Other Comprehensive Income**					
	Item that will not be reclassified to profit and loss: Remeasurement of gains / (losses) on defined benefit plans	(23.03)	89.75	(36.91)	55.26	(28.57)
11	**Total Comprehensive Income/(Loss)**	**(17,849.52)**	**(9,691.18)**	**(9,789.54)**	**(46,161.19)**	**(26,786.42)**
12	**Profit/(Loss) attributable to:**					
(a)	Owner of the parent	(17,826.49)	(9,780.93)	(9,752.63)	(46,216.45)	(26,757.85)
(b)	Non-controlling interest	-	-	-	-	-
		(17,826.49)	**(9,780.93)**	**(9,752.63)**	**(46,216.45)**	**(26,757.85)**
13	**Other Comprehensive Income / (Loss) attributable to:**					
(a)	Owner of the parent	(23.03)	89.75	(36.91)	55.26	(28.57)
(b)	Non-controlling interest	-	-	-	-	-
		(23.03)	**89.75**	**(36.91)**	**55.26**	**(28.57)**
14	**Total Comprehensive Income / (Loss) attributable to:**					
(a)	Owner of the parent	(17,849.52)	(9,691.18)	(9,789.54)	(46,161.19)	(26,786.42)
(b)	Non-controlling interest	-	-	-	-	-
		(17,849.52)	**(9,691.18)**	**(9,789.54)**	**(46,161.19)**	**(26,786.42)**
15	**Paid-up equity share capital (Face value per share Rs. 2)**	**5,161.52**	**4,925.27**	**4,872.29**	**5,161.52**	**4,872.29**
16	**Other Equity excluding Revaluation reserve**				**7,781.90**	**48,593.46**
17	**Earnings Per Share (EPS) in Rs. (for continuing operation)**					
	- Basic	(6.99)*	(3.96)*	(4.00)*	(18.66)	(11.24)
	- Diluted	(6.99)*	(3.96)*	(4.00)*	(18.66)	(11.24)
18	**Earnings Per Share (EPS) in Rs. (for discontinuing operation)**					
	- Basic	(0.02)*	(0.02)*	-	(0.04)	-
	- Diluted	(0.02)*	(0.02)*	-	(0.04)	-
19	**Earnings Per Share (EPS) in Rs. (for continuing and discontinuing operation)**					
	- Basic	(7.01)*	(3.98)*	(4.00)*	(18.70)	(11.24)
	- Diluted	(7.01)*	(3.98)*	(4.00)*	(18.70)	(11.24)
	*not annualised					

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AUDITED CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(Rs. in Lakhs)

Sr.No.	Particulars	As at 31.03.2020	As at 31.03.2019
I	**ASSETS**		
	Non-Current Assets		
	(a) Property, Plant and Equipment	2,42,168.67	2,58,156.00
	(b) Right of use assets	18,009.99	-
	(c) Capital Work-in-Progress	-	79.62
	(d) Goodwill on Consolidation	19.17	19.17
	(e) Intangible Assets	3,330.19	4,124.96
	(f) Intangible Assets Under Development	60.00	82.21
	(g) Financial Assets		
	(i) Loan	325.00	-
	(ii) Other Financial Assets	1,955.21	1,796.86
	(h) Other Non-Current Assets	2,724.83	6,212.59
		2,68,593.06	**2,70,471.41**
	Current assets		
	(a) Inventories	12,537.34	16,505.97
	(b) Financial Assets		
	(i) Trade Receivables	2,729.88	4,266.17
	(ii) Cash and Cash Equivalents	916.22	990.56
	(iii) Bank Balances Other than (ii) above	305.49	394.54
	(iv) Loan	307.97	325.12
	(v) Other Financial Assets	6,462.00	8,876.64
	(c) Other Current Assets	3,436.41	3,950.30
		26,695.31	**35,309.30**
	(d) Assets held for sale (Refer note no. 13)	15,317.13	-
	Total Assets	**3,10,605.50**	**3,05,780.71**
II	**EQUITY AND LIABILITIES**		
	Equity		
	(a) Equity Share Capital	5,161.52	4,872.29
	(b) Other Equity	7,781.90	48,593.46
		12,943.42	**53,465.75**
	Equity Component, of 0% Optionally Convertible Redeemable Preference shares (OCRPS) issued by a subsidiary	519.09	519.09
	Liabilities		
	Non Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	1,10,212.35	1,26,152.68
	(ii) Lease Liabilities	13,930.20	-
	(iii) Other Financial Liabilities	136.25	679.28
	(b) Provisions	201.67	273.73
	(c) Other Non-Current Liabilities	1,266.83	2,335.87
		1,25,747.30	**1,29,441.56**
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	12,487.47	12,524.46
	(ii) Trade Payables		
	Micro and small enterprises	318.53	84.90
	Others	2,525.90	3,034.85
	(iii) Lease Liabilities	5,149.50	-
	(iv) Other Financial Liabilities	1,42,168.21	1,02,254.22
	(b) Other Current Liabilities	5,051.64	4,430.03
	(c) Provisions	25.79	25.85
		1,67,727.04	**1,22,354.31**
	(d) Liabilities associated with assets classified as held for sale (Refer note no. 13)	3,668.65	-
	Total Equity and Liabilities	**3,10,605.50**	**3,05,780.71**

ARSHIYA LIMITED MUMBAI

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AUDITED CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Refer note no.2)	(Unaudited)	(Refer note no.2)	(Audited)	(Audited)
1	**Segment Revenue**					
	FTWZ/SEZ	3,488.85	3,644.28	3,653.75	14,773.21	14,758.88
	Rail Transport Operations/ICD	2,949.18	3,726.60	3,500.59	14,079.50	13,750.16
	Domestic Warehousing	142.23	141.88	130.82	595.64	428.34
	Total Revenue from Operations	**6,580.26**	**7,512.76**	**7,285.16**	**29,448.35**	**28,937.38**
2	**Segment Results Before Tax and Interest**					
	FTWZ/SEZ	622.56	435.29	176.66	2,223.56	1,337.57
	Rail Transport Operations/ICD	(1,169.80)	(1,238.10)	(873.70)	(5,017.48)	(4,567.90)
	Domestic Warehousing	(208.90)	(217.02)	(252.25)	(830.08)	(1,106.05)
	Total	**(756.14)**	**(1,019.83)**	**(949.29)**	**(3,624.00)**	**(4,336.38)**
	Less: Unallocated Expenses net of Income	(66.76)	(1.87)	7.56	(63.97)	9.74
	Less: Finance Costs	8,609.24	8,533.90	7,770.56	33,625.39	27,559.39
	Less: Exceptional Items (Net) (Refer Note no. 7 & 12)	7,497.50	172.50	1,023.76	7,810.00	(5,167.04)
	Profit/(Loss) before tax	**(16,796.12)**	**(9,724.36)**	**(9,751.17)**	**(44,995.42)**	**(26,738.47)**
3	**Segment Assets**					
	FTWZ/SEZ	1,78,898.00	1,91,043.89	1,81,666.82	1,78,898.00	1,81,666.82
	Rail Transport Operations/ICD	67,777.18	69,684.03	73,038.42	67,777.18	73,038.42
	Domestic Warehousing	47,576.98	47,882.78	48,982.63	47,576.98	48,982.63
	Unallocated	1,036.21	3,924.52	2,092.84	1,036.21	2,092.84
	Total Assets of Continuing Operations	**2,95,288.37**	**3,12,535.22**	**3,05,780.71**	**2,95,288.37**	**3,05,780.71**
	Assets of Discontinuing Operations	15,317.13	5,952.71	-	15,317.13	-
	Total Assets of Continuing and Discontinuing Operations	**3,10,605.50**	**3,18,487.93**	**3,05,780.71**	**3,10,605.50**	**3,05,780.71**
4	**Segment Liabilities**					
	FTWZ/SEZ	26,508.00	26,667.50	11,981.34	26,508.00	11,981.34
	Rail Transport Operations/ICD	7,972.45	8,094.21	7,746.04	7,972.45	7,746.04
	Domestic Warehousing	99.46	99.84	120.38	99.46	120.38
	Unallocated	2,58,894.43	2,51,044.30	2,31,948.11	2,58,894.43	2,31,948.11
	Total Liabilities of Continuing Operations	**2,93,474.34**	**2,85,905.85**	**2,51,795.87**	**2,93,474.34**	**2,51,795.87**
	Liabilities of Discontinuing Operations	3,668.65	1,375.02	-	3,668.65	-
	Total Liabilities of Continuing and Discontinuing Operations	**2,97,142.99**	**2,87,280.87**	**2,51,795.87**	**2,97,142.99**	**2,51,795.87**

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AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakh)

Particulars		Year Ended 31st March, 2020	Year Ended 31st March, 2019
Cash flow from operating activities			
Profit/(Loss) before tax		(44,995.42)	(26,738.47)
Adjustments for:			
Bad debts		373.77	45.81
Sundry balances written back (net)		(64.80)	(931.35)
Discarding/written off of Property, plant and equipment and Intangible assets		26.50	166.34
(Gain)/loss on disposal of Property, plant and equipment		(0.38)	(0.03)
Provision for doubtful debts/Expected credit loss		109.82	112.65
Settlement of claims		7,810.00	(5,167.04)
Gain recognised on sale of subsidiaries		(5.59)	-
Capital advances written off		128.25	-
Depreciation and amortization expense		14,284.97	9,419.56
Finance costs		33,625.39	27,559.39
Government grant income		(365.49)	(365.49)
Financial guarantee income		(15.00)	(227.88)
Financial assets carried at amortised cost		(214.67)	(193.06)
Gain on derecognised of Liability Component		-	(653.17)
Gain on Lease modification		(2.51)	-
Interest income on fixed deposits		(39.73)	(39.72)
Interest income on others		(266.82)	-
Interest income on tax refund		(246.80)	-
Share based payment		45.01	-
Foreign exchange differences (net)		(34.04)	43.21
Operating profit before working capital changes		10,152.46	3,030.75
Adjustments for :			
Change in inventories		-	15.66
Derease in financial and other assets		4,715.92	1,058.97
Decrease in financial and other liabilities		(7,364.70)	(2,166.15)
Cash generated from operations		7,503.68	1,939.23
Direct taxes paid		644.93	(545.51)
Net cash flow from operating activities		8,148.61	1,393.72
Net cash flow from discontinuing operating activities		(76.99)	1.35
Net cash flow from operating activities - Continuing and Discontinuing Operations	(A)	8,071.62	1,395.07
Cash flow from investing activities			
Purchase of property, plant and equipment		(29.23)	(779.90)
Purchase of Capital work in progress and Intangible assets under development		-	(67.58)
Proceeds from sale of property, plant and equipment		0.70	2.51
Gain on sale of investment in subsidiaries		5.59	-
Capital advances		(10.00)	(1,089.41)
Loans given to other (net)		(307.84)	-
Interest income on Loan to others		266.82	-
Interest received		19.53	39.72
Net cash flow from investing activities		(54.43)	(1,894.66)
Net cash flow from investing activities from Discontinuing Operations		(2,886.45)	(3.60)
Net cash flow from investing activities - Continuing and Discontinuing Operations	(B)	(2,940.88)	(1,898.26)
Cash flow from financing activities			
Money received against share warrants		-	15.00
Share issue expenses		(13.13)	-
Proceeds from non-current borrowings		-	5,571.82
Repayment of non-current borrowings		(11.37)	(2,550.04)
Short-term borrowings (net)		(36.99)	(1,228.69)
Increase/decrease in other bank balances		89.05	97.16
Unpaid Dividend transfer to IEPF A/c		-	(0.04)
Lease liability paid		(5,604.81)	-
Interest paid		(2,582.08)	(1,697.30)
Net cash flow from financing activities		(8,159.33)	207.91
Net cash flow from financing activities from Discontinuing Operations		3,466.85	-
Net cash flow from financing activities - Continuing and Discontinuing Operations	(C)	(4,692.48)	207.91
Net (decrease)/increase in cash and cash equivalents (A + B + C)		438.26	(295.28)
Cash and cash equivalents as at the beginning of the year		990.56	1,285.84
Cash and cash equivalents from discontinuing operations		(512.60)	(0.12)
Cash and cash equivalents as at the end of the year from continuing operations		916.22	990.44

ARSHIYA LIMITED MUMBAI

Notes to Audited Consolidated Financial Results:

1. The Consolidated Financial Results of Arshiya Limited ('Parent Company') and its Subsidiaries (together referred to as the 'Group') for the quarter ended and year ended 31st March, 2020 were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Parent Company at its meeting held on 27th June 2020.

2. Figures of the quarter ended 31st March, 2020 and 31st March, 2019 are the balancing figures between audited figures in respect of the full financial year and year to date figures up to the third quarter of the relevant financial year.

3. The Hon'ble National Company Law Tribunal (NCLT), Mumbai by its order dated 6th December 2019 has approved Scheme of Arrangement for merger of Arshiya Industrial and Distribution Hub Limited (AIDHL) and Arshiya Transport and Handling Limited (ATHL) into Arshiya Rail Infrastructure Limited (ARIL), all wholly owned subsidiaries of the Parent Company. Pursuant to the order the scheme has become effective on 6th January 2020 and, AIDHL and ATHL stand amalgamated with ARIL from the appointed date i.e. 1st October 2015. In consideration, 1 equity share of ARIL of Rs. 10 each fully paid up for every 1 equity share held by the Parent Company in AIDHL and ATHL is in the process of being allotted.

4. World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on 11th March, 2020. Consequent to this, the Government of India declared lockdown on 23rd March, 2020. The operations of the Group being categorized under essential services and were uninterruptedly functional even during lockdown, despite of being marginally impacted due to various manpower issues like shortage of staff and labour since certain areas being under containment, travel restrictions. The Group has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets, as at 31st March 2020, comprising investments, inventories and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

5. The Board of Directors of the Parent Company at their meeting held on 24th May, 2018, had approved a Composite Scheme of Arrangement for demerger of the Domestic Business undertaking of the Parent Company with Arshiya Rail Infrastructure Limited ("ARIL") to reorganize its corporate structure spread across group companies and in order to integrate / consolidate its operations.

   A Court convened Extra Ordinary General Meeting of Equity Shareholders of the Parent Company was held on 13th January 2020, pursuant to the Order dated 9th December 2019 passed by the Hon'ble NCLT. The shareholders of the Parent

Company have approved the Composite Scheme of Arrangement between the Arshiya Limited ("Demerged Company") and Arshiya Rail Infrastructure Limited ("Resulting Company").

The said scheme has been approved by shareholders, unsecured creditors of the respective companies and is subject to approval of secured lenders of the Parent Company and Arshiya Rail Infrastructure Limited. The aforesaid Scheme shall be given effect after receipt of necessary regulatory approvals.

6. Upon signing of Restructuring Agreement with Edelweiss Assets Reconstruction Company Limited (EARC) on 31st March 2017, the Group is accruing penal interest on restructured debt @ 8% p.a. based upon the balance confirmation provided by EARC till 30th September 2019 against the documented rate of 18% per annum. It has resulted in the short provision of penal interest amounting to Rs. 1,711.75 Lakh till the year ended 31st March, 2019 and for the quarter and year ended 31st March 2020 amounting to Rs. 337.95 Lakh and Rs. 1,359.21 Lakh respectively. In aggregate penal interest provisions are lower by Rs. 3,070.96 Lakh till 31st March 2020. The Group represented to EARC for revision in penal interest and the same is under discussion. The Auditors have issued a modified opinion in respect of the said matter in their audit report.

7. Exceptional items include Rs. 7,500.00 Lakh towards settlement of disputed statutory liability related to its erstwhile wholly owned subsidiary. Post hiving off this Subsidiary, the Group had received a notice from the aforesaid erstwhile Subsidiary informing about the litigation with respect to statutory liability under Finance Act, 1994, pertaining to the period when it was a subsidiary of the Parent Company. Based on the opinion and advise received from independent professionals and experts, to avoid probable litigation(s) a Settlement Agreement has been entered into with the erstwhile Subsidiary. The Auditors have referred to this as an emphasis of matter in their audit report.

8. Trade receivables and other financial asset as at 31st March, 2020 includes amounts aggregating to Rs. 322.11 Lakh (including unbilled amount of Rs. 255.45 Lakh) from four customers who have warehoused imported goods. The Subsidiary company has made collection efforts, but there have been no responses on the Subsidiary company's follow up with these customers and the Customers have not been traceable now.

The Subsidiary company has initiated recovery process for the foregoing dues by way of auction of the goods in the custody of the Subsidiary based on the notification by SEZ authority. As a process, the Subsidiary Company has submitted request to competent authority of SEZ to allow auction of goods in 33 containers out of total 64 containers and the valuer approved by the Customs authority has determined value of entire goods in 64 containers at Rs 580.58 Lakh. Further, subsequent to the year end, the Subsidiary Company has identified a buyer and has entered into the Memorandum of Understanding (MOU) for sales of aforesaid goods for Rs. 276.00 Lakh, against which the Subsidiary Company has received an advance of Rs. 75.00 Lakh and the Subsidiary company is in process of completion of transactions.

Since, the value of the goods in custody of the Subsidiary company is sufficient to recovery the Subsidiary company's due including statutory levies thereon, in view of the Management of the Subsidiary company the foregoing receivables from those customers are fully recoverable and there are no provisions required against those receivables. The Auditors have referred to this as an emphasis of matter in their audit report.

9. The balance confirmations of trade receivables and trade payables. During the course of preparation of financial statements, e-mails have been sent to various parties, in respect of trade receivables and trade payables, etc. with a request to confirm their balances, out of which only few parties have responded, accordingly, the possible adjustment, if any, required in the financial statements will be accounted as and when the same is determinable.

10. One of the Public Financial Institution (PFI) and one of the Non-Banking Financial Company (NBFC) which were lenders of Parent Company has assigned their debts to EARC. The Parent Company continues to provide interest in line with major terms negotiated with EARC until the finalisation of the restructuring agreement. Upon finalization of the terms of restructuring with EARC, the Parent Company shall record the effect of the revised terms as to the repayment of principal and interest in the period in which it is completed. The Auditors have referred to this as an emphasis of matter in their audit report.

11. The focussed emphasis of the Government on logistics infrastructure sector is a big boon for the Group's business plan. The recent amendments in the SEZ policy, allowing manufacturing within the FTWZs will enhance the scope of activities carried out by FTWZ exponentially and will improve the Group's ability to expand the client base multifold. This will enable the Group to offer additional value propositions to its clients and increase its business to a great extent, including 'Contract Manufacturing' in line with Global Free Zones. The management's plans as a developer of the business indicate that monetization will happen periodically, and staggered but significant payments will be received to streamline the cash flows.

Further, India is witnessing a rapid growth in internet penetration and telecommunication technology. The expansion of the consumer base is complimented by the Government's drive to digitalise the economy, all of which is propelling the demand for data centres in India. This has enhanced the Group's capabilities to expand its business into data centre and related infrastructure. The Group has received the requisite approval from the concerned authority for the development of an additional sector i.e. Electronic Hardware and Software (including IT/ITES) at its existing facility at FTWZ, Panvel.

A detailed business plan validation recently has been carried out jointly by the lenders and the Parent Company through a reputed consulting firm for assessment of the potential of FTWZ and data centre businesses. The outcome of the same is extremely encouraging.

Locations of both the FTWZ of the Group are most strategically located for carrying out manufacturing, trading and warehousing activities. This has been well recognised by many marquee existing clients and new clients. This has thrown up a large opportunity for which the Group is now bracing itself and is confident of seeing positive results in coming years.

Further Government focus on development of logistic infrastructure for future growth in economy and provided the 'category of Infrastructure' sub-sectors to "Transport and Logistics" from the earlier sub-head of "Transport". According to the govt notification, logistics infrastructure includes "Multimodal Logistics Park comprising Inland Container Depot (ICD)" would come under logistics infrastructure.

The Group has already equipped with world class logistic infrastructure at Khurja, strategically located at the confluence of Western & Eastern Dedicated Freight Corridor (DFC). The DFC to improve efficiency and cargo deliverables. Commissioning of DFC stretch could benefit customers by operation of longer, heavier and faster train services which will improve operational efficiency. Commencement of work on opening of Jewar Airport, close proximity to Khurja to provide boost to the Group business.

In light of all the above developments and considering the ongoing transaction executed with Ascendas for monetisation of a new multi-storied warehouse at Panvel and given the fact that the facilities have been built at strategic locations, the management's view on the future outlook of its business is very promising.

Accordingly, the Financial Statements of the Parent Company and its subsidiaries have been prepared on going concern basis.

12. The exceptional items during the quarter and year ended 31st March 2020 represent, loss on account of settlement for various claims amounting to Rs. 7,497.50 Lakh and Rs. 7,810.00 Lakh respectively.

13. The Parent Company has entered into conditional Share Purchase Agreements with Ascendas Property Fund (India) Pte. Ltd. ("APFI") for sale of entire equity shares of Anomalous Infra Private Limited ("AIPL") and Arshiya Northern Projects Private Limited ("ANPPL") to APFI, upon fulfilment of certain conditions precedent and is subject to various approvals. Hence, assets and liabilities in

AIPL and ANPPL has been considered as "Assets and Liabilities held for sale and Discontinued Operations".

14. On 30th January, 2020 by virtue of approval accorded by the members of the Parent Company in respect of Arshiya Limited employees Stock Option Scheme, 2019 (hereinafter referred to as the "Scheme, 2019") the Board of Directors of the Parent Company approved grant of 17,50,000 (Seventeen Lakh Fifty Thousand Only) Employee Stock Options to some of the eligible and deserving employees of the Parent Company & a subsidiary under the Scheme, 2019.

15. The lender of ANFL and ARIL has filed petition against respective companies for recovery of dues at NCLT under Insolvency and Bankruptcy Code, 2016. The lender of ANFL has also called upon the Parent Company as corporate guarantor to said loan. The matter is pending for pre-admission stage.

16. Certain creditors have initiated legal proceedings against the Group and its Directors. Majority of the creditors have been settled over the past few years and some of the creditors have shown interest and faith in the Group as well as in the logistics infrastructure sector and agreed to settle their outstanding liability by converting into Compulsory Convertible Debenture (CCDs) of the Parent Company.

    During the quarter ended 31st March, 2020 the Board of Directors of the Parent Company has approved allotment of 1,18,12,500 equity shares of face value of Rs.2/- each to the allottees upon conversion of outstanding 3,78,000 Compulsory Convertible Debentures (CCD's) of face value of Rs. 1,000/- each which were issued to the Creditors, as per SEBI regulation. Post the aforesaid allotment the paid-up equity capital of the Parent Company is Rs. 5,161.51 Lakh comprising of 25,80,75,915 Equity Shares of Rs. 2/- each.

17. Effective 1st April, 2019, the Group has adopted Ind AS 116 - "Leases" and applied the revised standard to all lease contracts thereby capitalising assets taken on operating lease existing on 1st April, 2019, using the modified retrospective method, without adjustment of comparatives. This has resulted in recognizing a Right-of-Use asset and a corresponding Lease Liability of Rs. 22,698.74 Lakh and Rs. 22,206.72 Lakh respectively. The loss increased by Rs. 186.90 Lakh and Rs. 948.55 Lakh in the current quarter and year ended 31st March 2020 respectively. Accordingly, warehouse storage charges are reclassified into Finance charges and Depreciation on basis of IND AS 116.

18. A subsidiary Company had entered into One-Time Settlement (OTS) with a Bank during the previous financial year ended 31st March 2019 and the effect was taken as an exceptional item during the quarter ended 30th September, 2018. 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 quarter ended 30th September, 2018 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 Rs. 6,604.55 Lakh and finance cost would have been higher by Rs. 5,975.95 Lakh having consequential impact on total comprehensive income for the quarter ended and year ended 31st March 2020. The Auditors have issued a qualified opinion in their audit Report.

19. As per Ind AS 108 "Operating Segment" the Group has identified and reported segment information in two segments as under:
    (i) Developing and Operating Free Trade & Warehousing Zone (FTWZ) and Special Economic Zone (SEZ)
    (ii) Domestic Warehousing
    (iii) Rail Transport Operation and Inland Container Depot (ICD)

    The assets and liabilities that cannot be allocated between the segments are shown as unallocable assets and liabilities respectively.

20. The figures for the previous period / year have been re-grouped / re-arranged, wherever necessary, to correspond with the current period's classification/ disclosures.

For and on behalf of Board of Directors of Arshiya Limited

Ajay S Mittal
Chairman & Managing Director
DIN No.: 00226355

ARSHIYA LIMITED MUMBAI

Place: Mumbai
Date: 27th June, 2020

ARSHIYA LIMITED

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in Lakhs)

I.	Sl. No.	Particulars	Audited Figures as of Mar-2020 (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	30,765.41	30,765.41
	2.	Total Expenditure (net of exceptional item)	(75,760.83)	(91,412.29)
	3.	Net Profit/(Loss) after Tax	(46,216.45)	(61,867.91)
	4.	Earnings Per Share (in Rupees per share)	(18.70)	(25.04)
	5.	Total Assets	310,605.50	310,605.50
	6.	Total Liabilities	297,662.08	313,313.54
	7.	Net Worth	12,943.42	(2,708.04)
	8.	Any other financial item(s) (as felt appropriate by the management)		

II. **Audit Qualification (each audit qualification separately):**

1. a. **Details of Audit Qualification**

As mentioned in the Note No. 6 to the statement, the Group has provided penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%. Interest provisions in earlier period / years were accounted based on the confirmations received from EARC. It has resulted in the short provision of interest amounting to Rs. 1711.75 Lakh till the year ended 31st March 2019 and for the quarter and year ended 31st March 2020 amounting to Rs. 337.95 Lakh and Rs. 1359.21 Lakh, respectively, which is not in compliance with Ind AS-23 "Borrowing Cost" read with Ind AS-109 "Financial Instruments". In aggregate interest provisions are lower by Rs. 3070.96 Lakh till 31st March 2020. Had interest been recognised at its documented rate, finance cost for the quarter and year ended 31st March 2020 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.

b. **Type of Audit Qualification :** Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~

c. **Frequency of qualification:** ~~Whether~~ appeared first time / ~~repetitive~~ / ~~since how long continuing~~

	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The management of the Group has clarified that representations have been made to EARC seeking revision in rate of penal interest and the same is under process.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) **Management's estimation on the impact of audit qualification: NA**
	(ii) **If management is unable to estimate the impact, reasons for the same: NA**
	(iii) **Auditors' Comments on (i) or (ii) above: NA**
2.	**Audit Qualification (each audit qualification separately):**
	b. Details of Audit Qualification As mentioned in Note No. 18 of the statement, a subsidiary company failed to make payment as prescribed as per one-time settlement with lender. As a result, event of default has occurred and the entire debt prior to date of settlement become payable along with interest. The subsidiary has not reversed the gain recorded in earlier year and not provided for additional interest till 31st March 2019 Rs. 3500.76 Lakh and for the quarter and year ended 31st March, 2020 Rs. 665.59 Lakh and Rs. 2475.19 Lakh, respectively, aggregating to Rs. 5975.95 Lakh till 31st March , 2020. Had the subsidiary Company reversed the gain recorded in earlier year and provided for additional interest, exceptional item would have been lower by Rs. 6604.55 Lakh and finance cost would have been higher by Rs. 5975.95 Lakh by equivalent amount as mentioned above, having consequential impact on total comprehensive income and other equity.
	b. **Type of Audit Qualification :** Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~
	c. **Frequency of qualification:** ~~Whether appeared first time~~ / repetitive / since how long continuing – From Two (2) years
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The management of the subsidiary Company is in discussion with the lender to grant additional time to repay the same.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(iv) **Management's estimation on the impact of audit qualification: NA**
	(v) **If management is unable to estimate the impact, reasons for the same: NA**
	(vi) **Auditors' Comments on (i) or (ii) above: NA**

ARSHIYA LIMITED MUMBAI

Arshiya

III.	Signatories:	
	Ajay S Mittal **Chairman & Managing Director** **DIN: 00226355**	
	Dinesh Sodani **CFO**	D Sodani
	Ashishkumar Bairagra **Audit Committee Chairman**	
	Statutory Auditor Chaturvedi & Shah LLP Registration No. 101720W/W100355 Vijay Napawaliya Partner Membership No.: 109859	

Place: Mumbai

Date: 27th June, 2020

ARSHIYA LIMITED MUMBAI