Arshiya

Date: 5th September 2022

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051, India
CM Quote: ARSHIYA

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001
Scrip Code: 506074

Sub: Submission of Annual Report for the Financial Year 2021-22

Dear Sir /Madam,

With reference to the captioned subject and pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year 2021-2022 for your information and records.

The AGM Notice and Annual Report for the year ended 31st March, 2022 are being dispatched electronically to those members whose e-mail ids are registered with the Company/ Depositories.

The AGM Notice and Annual Report is also uploaded on the Company's website viz. www.arshiyalimited.com.

As informed earlier vide company's letter dated 10th August 2022, the 41st Annual General Meeting (AGM) of the Company will be held on Tuesday, 27th September, 2022 at 03.00 P.M (IST) through Video Conferencing (VC) / Other Audio Video Means (OVAM) facility.

In terms of the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is providing to the Members the facility to exercise their right to vote on the businesses as set forth in the Notice of the 41st AGM from a place other than the place of venue of AGM by electronic means ("remote e-voting").

Further, pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period starting from **Wednesday, 21st September, 2022** to **Tuesday, 27th September, 2022**; both days inclusive; for the purpose of Annual General Meeting for financial year 2021-22.

ARSHIYA LIMITED MUMBAI

All the Members are further informed that, the remote e-voting shall commence on Saturday, 24th September, 2022 at 9.00 A.M. (IST) and shall end on Monday, 26th September, 2022 at 05.00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. Any person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Tuesday, 20th September, 2022 shall be entitled to avail the facility of remote e-voting as well as voting during the AGM.

Kindly take the same on record and oblige.

Thanking you.

For ARSHIYA LIMITED

AJAY S MITTAL Digitally signed by AJAY S MITTAL Date: 2022.09.05 23:19:38 +05'30'

ARSHIYA LIMITED MUMBAI

Ajay S Mittal
Chairman & Managing Director
DIN: 00226355

Arshiya is a leading infra solutions player at the forefront of Free Trade Warehousing Logistics in India

Arshiya Limited
Annual Report 2021-2022

Company Highlights

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

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

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

Company Highlights


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


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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ajay S. Mittal	Chairman & Managing Director
Mrs. Archana A Mittal	Joint Managing Director
Mr. Ashishkumar Bairagra	Independent Director
Mr. Rishabh Shah	Independent Director
Mr. Ved Prakash	Independent Director
Mr. Manjari Ashok Kacker	Independent Director (Resigned w.e.f 1st November 2021)
Mrs. Kiran Shinde	Independent Director (Appointed w.e.f 8th July 2022)

KEY MANAGERIAL PERSONNEL

Mr. Dinesh Kumar Sodani	Chief Financial Officer (CFO)
Mrs. Ratika Gandhi	Company Secretary & Compliance Officer (Resigned w.e.f. 4th June 2022)

Statutory Auditors:
Chaturvedi & Shah LLP.,
Chartered Accountants, Mumbai

Internal Auditors:
Aneja Associates,
Chartered Accountants, Mumbai

Secretarial Auditors:
Aabid & Co.,
Practicing Company Secretaries, Mumbai

Bankers:
Axis Bank Limited
ICICI Bank Limited
HDFC Bank Limited
State Bank of India
IDFC First Bank Limited
Punjab National Bank
Union Bank of India (e-Corporation Bank)

Registrars & Share Transfer Agents:
Bigshare Services Private Limited
S6 – 2 Pinnacle Business Park, Mahakali Caves Road,
Next to Ahura Centre, Andheri (E), Mumbai – 400 093
Tel: 91 22 62638200
Fax: +91 22 62638299
E-mail: info@bigshareonline.com

Registered office:
205 & 206 (Part), 2nd Floor, Ceejay House, F-Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
T: +91 22 4230 5500
F: +91 22 4230 5555
Website: www.arshiyalimited.com
e- Mail: teamsecretarial@arshiyalimited.com
CIN NO: L93000MH1981PLCO24747
GSTIN: 27AAACI2679A1ZT

Arshiya Sites:

FTWZ - Panvel, Maharashtra
181/3, Sai Village, Taluka Panvel,
Dist Raigad, Raigad, Maharashtra – 410 206

FTWZ - Khurja, Uttar Pradesh
Junction Road, Industrial Area, Village - Maujpur, Khurja, Distt - Bulandshahr, U.P -203 131

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 41ST (FORTY-FIRST) ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF ARSHIYA LIMITED WILL BE HELD ON TUESDAY, 27TH SEPTEMBER 2022 AT 03.00 P.M. (IST) THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO-VISUAL MEANS ("OAVM"), TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. **TO RECEIVE, CONSIDER AND ADOPT**:

   a. The Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2022, together with the Reports of the Board of Directors and Auditor's thereon.

   b. The Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2022, together with the Report of the Auditor's thereon.

2. **TO RE-APPOINT MR. AJAY S. MITTAL (DIN: 00226355), AS DIRECTOR LIABLE TO RETIRES BY ROTATION:**

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

   "RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the members of the Company, be and is hereby accorded to reappoint Mr. Ajay Mittal (DIN: 00226355), a Director, who is liable to retire by rotation".

3. **TO APPOINT M/S. N. A. SHAH ASSOCIATES LLP., CHARTERED ACCOUNTANTS, AS STATUTORY AUDITORS OF THE COMPANY AND FIX THEIR REMUNERATION:**

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 140, 141,142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment thereto or re-enactment(s) thereof for the time being in force) and on the recommendation of Audit Committee and approval of the Board of Directors in their respective meeting held on 10th August, 2022, M/s. N. A. Shah Associates LLP., Chartered Accountants having Firm Registration No. 116560W/W100149, who have confirmed their eligibility for appointment, be and are hereby appointed as Statutory Auditors of the Company in place of the retiring Auditors Chaturvedi & Shah LLP., Chartered Accountants, (Firm Registration No.: 101720W), for a period of five years, who shall hold office from the conclusion of 41st Annual General Meeting till the conclusion of the 46th Annual General Meeting and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred by the Statutory Auditors in connection with the audit of the accounts of the Company."

SPECIAL BUSINESS:

4. **TO APPROVE THE APPOINTMENT OF MR. KIRAN SHINDE (DIN: 09667419) AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY:**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any Statutory modification(s) or re-enactment(s) thereof for time being in force), and pursuant to recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Kiran Shinde (DIN: 09667419), who was appointed as an Additional Director of the Company vide circular resolution passed by the Board of Directors on 8th July, 2022 and who holds office up to the date of the Annual General Meeting of the Company, and being eligible, offered himself for appointment and has consented to act as Independent Director of the Company and who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a notice in writing under 160 (1) of the Act from a member signifying his intention to propose candidature of Mr. Kiran Shinde for the office of Director of the Company, be and is hereby appointed as a Non – Executive Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 8th July, 2022 up to 7th July, 2027."

By order of Board of Directors of Arshiya Limited

Ajay S. Mittal
Chairman & Managing Director
DIN: 00226355

Date: 10th August 2022
Place: Mumbai

Registered Office:
205 and 206 (part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
CIN: L93000MH1981PLC024747
Email: teamsecretarial@arshiyalimited.com
Website: www.arshiyalimited.com
Tel: +91 22 4230 5500

NOTES:

1. In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 02/2022 dated May 05, 2022 (collectively "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively "SEBI Circulars"), have permitted Companies to conduct Annual General Meeting ('AGM'/'the Meeting') through VC/ OAVM, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 41st AGM of the Company is being convened on **Tuesday, 27th September 2022** and will be conducted through VC at 03.00 P.M IST. The deemed venue for AGM shall be the registered office of the Company.

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

3. In pursuance of section 112 and section 113 of the Companies Act, 2013, the Institutional investors and Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Members are required to send, (before e-voting/ attending AGM) a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, pursuant to section 113 of the Act sent to the Scrutinizer by email through its registered email address to jog@aacs.in with a copy marked to evoting@nsdl.co.in and teamsecretarial@arshiyalimited.com.

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

5. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of ordinary/special businesses to be transacted at the meeting, is annexed hereto. Further, the particulars of the Director proposed to be reappointed/appointed, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, are annexed hereto.

6. The Members attending the 41st AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2022 and the Circulars issued by the Ministry of Corporate Affairs as mentioned above, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM, on all the resolutions set forth in this Notice, will be provided by NSDL.

8. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process and instructions for remote e-voting are provided in the subsequent pages. Such remote e-voting facility is in addition to voting that will take place at the 41st AGM being held through VC.

9. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have casted their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

10. Pursuant to Section 91 of the Companies Act 2013 and Regulation 42 of the SEBI Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 21st September 2022 to Tuesday, 27th September 2022** (both days inclusive).

11. In line with the MCA Circulars, the notice of the 41st AGM along with the Annual Report 2021-22 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2021-22 will also be available on the Company's website www.arshiyalimited.com , websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com .

12. The physical copies of notice of 41st Annual General Meeting and the Annual Report 2021-22 shall be open for inspection at the Registered Office of the Company during business hours between 11.00 A.M. to 1.00 P.M. except on holidays, up to the date of the Annual General Meeting.

13. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 will be available for inspection by Members electronically from the date of dispatch of Notice till **Friday, 23rd September 2022**. Members seeking to inspect such documents can send an email to teamsecretarial@arshiyalimited.com in that regard.

14. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and Annexure to Notice shall be made available for inspection. During the 41st AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act; the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act; the certificate from the Statutory Auditors of the Company stating that the Company has implemented the Arshiya Limited Employees Stock Option Scheme 2019 ('Scheme') in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and the Special resolution passed by the Members of the Company approving the Scheme on 30th September, 2019. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at teamsecretarial@arshiyalimited.com .

15. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Investor Relations Department of the Company, at teamsecretarial@arshiyalimited.com at **least 7 days** before the date of the meeting **(i.e on or before Tuesday, 20th September, 2022)**, to enable the Company to make available the required information at the meeting, to the extent practicable.

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

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

18. All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely **Tuesday, 20th September 2022** only shall be entitled to vote at the Annual General Meeting by availing the facility of remote e-voting or by voting at the Annual General Meeting.

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

20. Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, email address etc. to the Registrar and Share Transfer Agents, Bigshare Services Private Limited at jibu@bigshareonline.com . If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. should be furnished to their respective Depository Participants (DPs).

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

22. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Bigshare Services Private Limited at jibu@bigshareonline.com .

23. Securities and Exchange Board of India (SEBI) has, vide its circular number SEBI / HO / MIRSD / MIRSD _ RTAMB / P /CIR / 2021 / 655 dated 3rd November 2021, mandated to all the physical security holders for furnishing their PAN, KYC and Nomination details with Company or RTA. The communication with respect to the said circular has already been forwarded to all such shareholder for updating their PAN, KYC, and Nomination details with the Company / RTA. Effective from 1st January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/documents are provided to RTA. In the event where any one of the aforesaid details is not updated on or before 31st March 2023, the Company / RTA will freeze the physical folios, effective from 1st April 2023. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at www.arshiyalimited.com .

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

25. Since, this AGM will be held through VC, no attendance slips and route map of the venue for AGM are enclosed with this notice.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at https://www.evoting.nsdl.com under Members login by using the remote e-voting credentials. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join Meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/ OAVM will be available in Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

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

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

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

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

6. **Members who would like to express their views /ask questions during the meeting are requested to register themselves in advance on or before Wednesday, 21st September, 2022 as a speaker and send their questions along with their name, demat account number/folio number, email id, mobile number at teamsecretarial@arshiyalimited.com.**

7. **Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on availability of time for the AGM.**

E-VOTING:

1. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, Secretarial Standard 2, and the said Circulars, the Company is providing facility for e-voting to all members as on the cut-off date as per the applicable regulations and all the businesses contained in this Notice may be transacted through such voting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM, ("remote e-voting") will be provided by **National Securities Depository Limited (NSDL)**.

2. Members are advised to update their mobile number and email id in their demat accounts to access e-Voting facility.

3. The remote e-voting period begins on **Saturday, 24th September 2022 at 9.00 A.M. and ends on Monday, 26th September 2022 till 5.00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 20th September 2022 may cast their vote electronically.

4. A Member can opt for only one mode of voting, i.e. either through Remote e-voting or by e-voting during the AGM. If a Member casts his/her vote using both the modes, then voting done through Remote e-voting shall prevail.

5. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of day, **Tuesday, 20th September 2022**. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

6. Mr. Mohammed Aabid, Partner of M/s. Aabid & Co., Practicing Company Secretaries (COP No. 6625 and Membership No. FCS 6579) (email: jog@aacs.in) has been appointed as the Scrutinizer to scrutinize that the process of remote e-voting and e-voting at the Annual General Meeting happens in a fair and transparent manner.

7. The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall not later than two working days of the conclusion of the AGM, make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him, who shall countersign the same.

8. The results shall be declared on or after this AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.arshiyalimited.com and will be communicated to BSE Limited and National Stock Exchange of India Limited, who are required to place them on their website. The same shall also be placed on the website of NSDL.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system:

A. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:**

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.	
Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.	
Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B. **Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

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

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

   III. How to retrieve your 'initial password'?

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

      b. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

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

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

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

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

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

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

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

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

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system:

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

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

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

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

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to jog@aacs.in with a copy marked to evoting@nsdl.co.in and teamsecretarial@arshiyalimited.com. Institutional shareholders (i.e other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

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

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self - attested scanned copy of Aadhar Card) by email to teamsecretarial@arshiyalimited.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to teamsecretarial@arshiyalimited.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholder/member may send an e-mail request to evoting@nsdl.co.in for procuring User ID and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

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

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.: 3

Chaturvedi & Shah LLP., Chartered Accountants, (Firm Registration No.: 101720W), were appointed as Statutory Auditors of the Company at the 36th AGM held on September 26, 2017, to hold office up to the conclusion of 41st AGM. The Company has received a special notice from a member pursuant to the provisions of Section 115 of the Companies Act, 2013, proposing appointment of M/s. N. A. Shah Associates LLP., Chartered Accountants, as the Statutory Auditors of the Company in place of Chaturvedi & Shah LLP., Chartered Accountants, the retiring Statutory Auditors, in accordance with the provisions of Section 140(4)(i) of the Companies Act, 2013. The Audit Committee considered the above referred special notice proposing the appointment of the said Firm as the Statutory Auditors of the Company along with the experience of the proposed auditors and has recommended their appointment. The Board of Directors has also considered the matter and has recommended the passing of the Ordinary Resolution, appointing M/s. N. A. Shah Associates LLP., Chartered Accountants, as Statutory Auditors in place of the retiring Auditor Chaturvedi & Shah LLP., Chartered Accountants. The Company has received consent letter from M/s. N. A. Shah Associates LLP., Chartered Accountants, confirming that their appointment, if made, shall be in accordance with the conditions specified under Section 139 and 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors recommends the resolution as set out at item no. 3 of the Notice, for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relative(s) is, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO.: 4

The Board of Directors (based on recommendation of Nomination and Remuneration Committee) had appointed Mr. Kiran Shinde (DIN: 09667419) as an Additional Director from 8th July 2022. In terms of Section 161(1) of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Kiran Shinde holds office as an Additional Director up to the date of ensuing Annual General Meeting of the Company. The Nomination and Remuneration Committee further recommended his appointment as the Non-Executive Independent Director of the Company for a term of five consecutive years commencing from 8th July 2022 up to 7th July 2027 and the Board approved the same, subject to approval of the members at the ensuing Annual General Meeting. Mr. Kiran Shinde being eligible offered himself for appointment as Director. The Company has received his consent to act as an Independent Director of the Company and has submitted a declaration that meets the criteria for Independence as provided in Section 149 (6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Company also received a notice u/s 160 of the Companies Act, 2013, from the members of the Company, signifying their intention to propose candidature of Mr. Kiran Shinde for the office of Director of the Company.

Copy of the draft Letter of appointment setting out the terms and conditions of the appointment of Mr. Kiran Shinde as Non-Executive Independent Director of the Company and all the relevant documents referred to in this notice and Explanatory Statement, shall be open for inspection by the members at the registered office of the Company during normal business hours on any working day, excluding Saturday up to the date of the Annual General Meeting.

The Explanatory statement and the Resolution No.4 of the Notice shall be treated as an abstract of the terms of appointment of Mr. Kiran Shinde as an Independent Director of the Company as required under Section 102 of the Companies Act, 2013. Brief profile of Mr. Kiran Shinde is given in the Annexure to this Notice. The Board considers that his appointment would be immense benefit to the Company. He shall not be liable to retire by rotation.

Other than Mr. Kiran Shinde and his relatives; if any to the extent of their respective shareholding interest in the Company, none of the above Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution no. 4 of the Notice. The Board of Directors recommends resolution as set out in item no. 4 for approval of members of the Company by way of Ordinary Resolution.

By order of Board of Directors of Arshiya Limited

Ajay S. Mittal
Chairman & Managing Director
DIN: 00226355

Date: 10th August 2022
Place: Mumbai

Registered Office:
205 and 206 (part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
CIN: L93000MH1981PLC024747
Email: teamsecretarial@arshiyalimited.com
Website: www.arshiyalimited.com
Tel: +91 22 4230 5500

ANNEXURE

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

Name of the Director	**Mr. Ajay S. Mittal**	**Mr. Kiran Shinde**
Director Identification Number (DIN)	00226355	09667419
Nationality	Indian	Indian
Date of First appointment on the Board	01/10/2011	08/07/2022
Designation	Chairman and Managing Director	Non-executive Independent Director
Date of Birth	28/06/1965	22/05/1957
Age	57	65
Tenure with the Company	17 years	1 month
Qualification	MBA from the United States.	Master of Regional Planning (MRP) from Dept of Architecture & Regional Planning, IIT Kharagpur, West Bengal
Nature of Expertise and Experience	Mr. Mittal is the key driving force behind Arshiya's growth into India's first fully integrated supply chain management and logistics infrastructure solutions company. With over three decades of experience, Mr. Mittal has successfully scaled Arshiya Limited by developing Free Trade Warehousing Zones (FTWZs), Rail & Rail Infrastructure, Industrial & Domestic Hub, and Transport & Handling to its unified business portfolio. Today, Arshiya stands at the helm of being the first developer of India's first of its kind two FTWZs, and second largest Private Container Train Operator (PCTO) in the country. Under Mr. Mittal's guidance, Arshiya Limited has also received national as well as international awards and accolades for its initiatives in the supply chain space. Mr. Mittal in his entrepreneurial career has helmed leadership positions in diverse sectors including financial services, manufacturing, international trading, information technology and global supply chain management. He is also very active with various social reform and community service organizations. His personal mission is for Arshiya Group to play a major supporting role in India's economic transformation and growth.	Mr. Kiran Shinde brings with him over 39 years of experience such as preparation area development plans, Development plans for notified special planning areas, grant of development permission according to the provisions of development control regulations, preparation land use statements and working of the cost estimates of the projects. A certified Fellow member of Institution of Town Planner India from IIT Kharagpur (West Bengal) currently working as Planning Adviser in developing 80000 sqm campus in Navi Mumbai which has Engineering and Medical College with 1000 bedded running hospital. Apart from this working in the capacity of administrative manager for guiding in compliance with Govt and semi Govt Departments seeking mandatory permissions under MR & TP Act 1966 and UDCPR provisions from state government and Govt of India wherever applicable.
Terms and conditions of appointment or re-appointment	Liable to retire by rotation	Appointed as an Additional (Non-Executive Independent) Director for a term of five years on the Board of Directors of Arshiya Limited with effect from 8th July 2022 which is subject to approval of the Shareholders as per the provisions of the Companies Act, 2013 in this AGM. He will not be liable to retire by rotation. The term 'Independent Director' is construed as defined under the Companies Act, 2013.

Name of the Director	Mr. Ajay S. Mittal	Mr. Kiran Shinde
Details of remuneration sought to be paid	-	By way of sitting fees for meetings of the Board and its committees
Inter-se relationship between Directors and other Key Managerial Personnel	Husband of Mrs. Archana A Mittal, Joint Managing Director of the Company.	NA
Directorship in other Companies/LLPs	Mega Fin (India) Limited	NIL
	Mega Safe Deposit Vaults Private Limited*	
	Mega Meditex Limited*	
	Arshiya Northern FTWZ Limited	
	Mega Capital Broking Private Limited	
	Arshiya Data Centre Private Limited	
	Arshiya Lifestyle Limited	
	Mega Custodial Services Ltd	
	Arshiya Rail Infrastructure Limited	
	Arshiya Logistics Services Limited	
	Megavisa Marketing and Solutions Limited*	
Membership of the committees of other companies [includes Audit and Stakeholders Relationship Committee]	Mega Fin (India) Limited – Audit Committee & Nomination and Remuneration Committee	NIL
No. of Shares held in the Company	3,83,56,437 (14.62%) Equity Shares of ₹2/- each	NA
Number of Board meetings held/attended during the year	7/7	NA

* Company is under liquidation

BOARD'S REPORT 2021-22

Dear Members,

Your directors have pleasure in presenting **Forty First (41) Annual Report** on the operations of the Company together with the Audited Financial Statements for the financial year ended 31st March 2022.

1. FINANCIAL HIGHLIGHTS:

The Company's performance for the financial year ended 31st March 2022 as compared to the previous financial year, is summarized below:

(Amount in ₹ Lakhs)

Particulars	Standalone		Consolidated	
	Year ended on 31st March 2022	**Year ended on 31st March 2021**	**Year ended on 31st March 2022**	**Year ended on 31st March 2021**
Income from Operations	6,193.34	6,632.39	15,014.12	14,278.42
Total Expenditure	4,420.22	2,481.30	7,128.45	5,826.84
Operating Profit/(Loss)	1,773.12	4,151.09	7,885.67	8,451.58
Other Income	818.96	1,094.85	9,674.09	1,727.62
Profit before interest, finance cost, depreciation, amortization, exceptional item, and tax	2,592.08	5,245.94	17,559.76	10,179.20
Finance Cost	8,646.77	14,812.38	16,217.40	23,193.87
Cash Profit/(Loss)	**-6,054.69**	**-9,566.44**	**1,342.36**	**-13,014.67**
Depreciation and Amortization Expenses	1,032.54	1,289.67	7,181.47	7,297.95
Profit/(Loss) Before Exceptional Items, Prior Period Adjustment and Tax	**-7,087.23**	**-10,856.11**	**-5,839.11**	**-20,312.62**
Exceptional Items (Net)	-47,244.27	-	-48,988.99	-
Profit/(Loss) Before Tax	**40,157.04**	**-10,856.11**	**43,149.88**	**-20,312.62**
Tax Expenses	-	-	28.82	8.64
Net Profit/(Loss) After Tax from Continuing Operations	**40,157.04**	**-10,856.11**	**43,121.06**	**-20,321.26**
Net Profit/(Loss) After Tax from Discontinuing Operations	-	-	-730.29	-224.44
Net Profit/(Loss) After Tax	**40,157.04**	**-10,856.11**	**42,390.77**	**-20,545.70**
Add: Other Comprehensive Income (Items that will not be re classified to profit and loss)	-6.65	1.93	-7.38	4.76
Total Comprehensive Income carried to other Equity	**40,150.39**	**-10,854.18**	**42,383.39**	**-20,540.94**

**** The Standalone and Consolidated financial statements for the period from 1st April 2019 up to 31st March 2021 have been restated pursuant the Scheme of Arrangement (Scheme) approved by the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) vide it's order dated 21st January, 2022. The Scheme became effective from 2nd February 2022 with the Appointed date of the scheme is 1st April 2019.***

2. RESULTS OF OPERATIONS:

STANDALONE PERFORMANCE:

During the Financial year under review, your Company has reported a standalone total income of ₹ 6,193.34 Lakhs as compared to ₹ 6,632.39 Lakhs for the previous year. Further, your Company has reported profit after tax of ₹ 40,157.04 Lakhs as compared to the loss of (₹ 10,856.11 Lakhs) in previous year.

CONSOLIDATED PERFORMANCE:

During the Financial year under review, your Company has reported a consolidated total income of ₹ 15,014.12 Lakhs as compared to ₹ 14,278.42 Lakhs for the previous year. Further, your Company has reported profit after tax of ₹ 42,390.77 Lakhs as compared to the loss of (₹ 20,545.70 Lakhs) in previous year.

3. IMPACT OF COVID-19:

The Mobility sector continues to be under recovery from the impact of COVID-19. Wave 2 and wave 3 stalled the pace of recovery, but we have continued to expand our client base for enterprise mobility.

The COVID-19 pandemic continued to be a global challenge creating disruption across the world. While the global economy showed early signs of recovery in the beginning of 2021, the repeated waves of COVID infection overwhelmed the Country's health infrastructure. The partial lockdown situation in the Country during most part of the financial year under review led to rise in inflation impacting recovery especially across emerging economies and dented the pace of economic activity.

The pandemic impacted the logistics sector in both positive and negative ways. On one hand, it has increased financial pressure on a lot of companies in the industry, especially transporters. On the other hand, it has accelerated some key transformations within the logistics sector viz. changing channel landscape, increasing adoption of multi-modal logistics, integrated service offerings, technology integration to drive efficiencies etc. Digital solutions and usage of technology has become essential for making supply chains more robust, driving end-to-end visibility, ensuring data security and real-time product traceability, and improving government industry collaboration as we are preparing for the future.

Despite these challenges, we also saw many tailwinds in our business. Opening of the economy spurred growth in all our end markets. Leveraging on the trends emerging from the external environment, we continue to enhance our focus on delivering value through customized integrated solutions, new customer acqusitions and operational excellence and drive technology investments to maintain profitable growth and improve scalability of our businesses in the prevalent economic scenario.

4. BUSINESS OPERATIONS:

a. FREE TRADE WAREHOUSING ZONE (FTWZ):

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

Arshiya is the only free trade warehousing zone developer in India with the unique advantage of having operating in FTWZs.

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

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

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

Khurja FTWZ (near Delhi) which is strategically located about 80 km from India's capital, Khurja FTWZ is strategically located close to the eastern and western dedicated freight corridor (DFC). The free trade warehousing zone of the 113-acre, the increasing acceptance of the FTWZ with various benefits it offers is increasing and your company is witnessing increasing enquiries for bigger space. With various Government reforms and increasing economic activities in the country, the warehousing sector is witnessing increasing participation from institutional investors.

b. 3 PL SERVICES:

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

5. DIVIDEND:

Your director's have not recommended any dividend for the financial year ended 31st March 2022.

6. TRANSFER TO RESERVES:

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

7. CHANGE IN THE NATURE OF THE BUSINESS AND CAPITAL STRUCTURE OF THE COMPANY:

i. **Change in nature of the business**

During the financial year under review, there has been no changes in the nature of the business and operations of the Company, except as mentioned above.

ii. **Change in capital structure of the Company:**

During the financial year under review, there is no change in the Capital structure of the Company.

iii. **Change in registered office of the company**

During the financial year under review the Company vide circular resolution passed by the Board of Directors on 30th September 2021, the Registered office of the Company is shifted within the local limits **from** 302 Ceejay House Level 3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai – 400 018 **to** 205 and 206 (part), 2nd Floor, Ceejay House Level 3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

i. Approval of the Scheme of the Demerger

During the year under review, the Hon'ble the National Company Law Tribunal (NCLT), Mumbai Bench passed the order of demerger on 21st January 2022 on the Scheme of Arrangement between Arshiya Limited ("Demerged Company") and Arshiya Rail Infrastructure Limited ("Resulting Company or ARIL"). The scheme of arrangement was made effective by filing the certified copy of order with Registrar of Companies, Mumbai on 02nd February 2022, further, Arshiya Rail Infrastructure Limited (ARIL) is ceased to be subsidiary company of Arshiya Limited and AMD Business Support Services Private Limited (Direct Subsidiary of ARIL) is ceased to be step down subsidiary company of Arshiya Limited.

ii. Settlements of debt

Impact on Standalone financial statements of the company

During the year ended 31st March, 2022, the Company has received Settlement of Debt letter (settlement) dated 4th March, 2022 from Edelweiss Assets Reconstruction Company Limited (EARC) with Cut-off date as on 30th September 2021. EARC has settled its existing dues at ₹ 38,510.00 Lakh as the Settlement Amount. The Company has partially complied with conditions precedent of the settlement. The Company is in discussion with EARC for pending compliances of the conditions precedent, further, there is no communication about revocation of settlement from EARC.

In view of the above, accounting treatment of the settlement has been given in the books during the year ended 31st March, 2022. The Company has recorded the gain on settlement as an exceptional item of ₹ 46,698.57 Lakh (comprising of principal of ₹ 21,567.05 Lakh and interest of ₹ 25,131.52 Lakh). Further interest expenses accounted in the books for the nine months ended 31st December 2021 has been reversed during the year ended 31st March 2022. Accordingly, interest expenses of current year ended 31st March 2022 has been recorded after giving impact of settlement, hence interest expenses during the year ended 31st March 2022 is post net off reversal.

During the year ended 31st March 2022, the Parent Company and a subsidiary have received Settlement of Debt letter (settlement) dated 4th March 2022 from Edelweiss Assets Reconstruction Company Limited (EARC) with Cut-off date as on 30th September 2021. EARC has settled its existing dues at ₹ 53,510.00 Lakh as the Settlement Amount. The Group has partially complied with conditions precedent of settlement. The Group is in discussion with EARC for pending compliances of conditions precedent, further, there is no communication about revocation of settlement of debt from EARC.

In view of the above, accounting treatment of settlement has been given in the books during the year ended 31st March 2022. The Group has recorded gain on settlement as an exceptional item of ₹ 48,443.30 Lakh (comprising of principal of ₹ 17,713.30 Lakh and interest of ₹ 30,730.00 Lakh). Further interest expenses accounted in the books nine months ended 31st December 2021 has been reversed during the year ended 31st March 2022. Accordingly, interest expenses of current year ended 31st March 2022 has been recorded after giving impact of settlement, hence interest expenses during the year ended 31st March 2022 is post net of reversal

9. SUBSIDIARIES AND ASSOCIATES COMPANIES:

As on 31st March 2022 the Company has 12 (Twelve) subsidiaries companies. There are no associates or joint venture Companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

In terms of the criteria laid down in the Company's Policy on Material Subsidiaries and the SEBI Listing Regulations, as amended, **(a) Arshiya Northern FTWZ Limited, (b) Arshiya Lifestyle Limited and (c) Arshiya Logistics Services Limited** has become a Material Subsidiary of the Company during the year 2021-22.

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

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

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

a. Subsidiary Incorporated/Acquired/ Disposed off:

During the year under review, (a) your Company has incorporated step down subsidiary of Arshiya Limited namely Arshiya Distribution Hub Private Limited on 02nd July 2021 (Direct subsidiary of Arshiya Logistics Services Limited which is wholly owned subsidiary company of Arshiya limited), (b) your Company has sold it's investment in 100% shares of Anomalous Infra Private Limited to Ascendas Property Fund Trustee Pte. Limited ("Ascendas/ APFI") and (c) by virtue of the demerger order passed by Hon'ble the National Company Law Tribunal (NCLT), Mumbai Bench on 21st January 2022 on the Scheme of Arrangement between Arshiya Limited ("Demerged Company") and Arshiya Rail Infrastructure Limited ("Resulting Company or ARIL"). The scheme of arrangement was made effective by filing the certified copy of order with Registrar of Companies, Mumbai on 02nd February 2022. Arshiya Rail Infrastructure Limited (ARIL) is ceased to be subsidiary company of Arshiya Limited and AMD Business Support Services Private Limited (Direct Subsidiary of ARIL) is ceased to be step down subsidiary company of Arshiya Limited.

b. Mergers/Amalgamation/Demerger:

During the year under review, The National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated 21st January 2022 has approved the Scheme of Arrangement between Arshiya Limited ("Demerged Company") and Arshiya Rail Infrastructure Limited ("Resulting Company"). The scheme of arrangement was made effective by filing the certified copy of order with Registrar of Companies, Mumbai on 02nd February 2022.

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

Particulars of loans given, investments made, guarantees given and securities provided as covered under the provisions of Section 186 of the Companies Act, 2013 have been disclosed in the notes to the standalone financial statements forming part of the Annual Report. (Please refer to Notes No. 10 and 17 to the standalone financial statement).

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

All Related Party Transactions entered by the Company during the financial year were in the ordinary course of business and on an arm's length basis. Omnibus approvals are obtained for the transactions which are foreseen and repetitive in nature. The details of material related party transactions are furnished in **Annexure II** in Form No. AOC-2 and forms part of this Report. Further details of related party transactions entered by the Company as required under Ind AS 24, are available in notes to the standalone financial statements section of the Annual Report and forms part of this Report.

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

As per the requirement under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), approval of the Audit Committee was obtained for all the Related Party Transactions.

12. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. BOARD OF DIRECTORS:

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

Further at the time of appointment of an Independent Director, the Company issues a formal letter of appointment detailing their role and function in the Company. The format of the letter of appointment is available on our website:

http://www. arshiyalimited.com/arshiya/assets/pdf/Appointment%20letters.pdf

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

1. Mr. Ashishkumar Bairagra;
2. Mr. Rishabh Shah;
3. Mr. Ved Prakash; and
4. Mr. Kiran Shinde appointed (w.e.f 8th July, 2022)

b. APPOINTMENT, REAPPOINTMENT AND RESIGNATION:

With effect from 1st November 2021, Mrs. Manjari Ashok Kacker (DIN: 06945359) resigned as a Woman Independent Director from closure of business hours. The Company vide circular resolution passed by the Board of Directors on 8th July 2022 have appointed Mr. Kiran Shinde (DIN: 09667419) as an Additional (Non-executive Independent) Director of the Company for a period of five years commencing from 8th July 2022 to 7th July 2027, subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Ajay S. Mittal (DIN: 00226355) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. Necessary resolution for his re-appointment is included in the Notice of 41st Annual General Meeting for seeking approval of Members. The Directors recommend his re-appointment for your approval.

A brief resume and particulars relating to appointment/ re-appointment is given separately as Annexure to the AGM Notice.

c. KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2022 are:

1. Mr. Ajay S Mittal – Managing Director;
2. Mrs. Archana A. Mittal – Joint Managing Director;

3. Mr. Dinesh Sodani – Chief Financial Officer; and

4. Mrs. Ratika Gandhi – Company Secretary (resigned w.e.f 4th June, 2022)

d. DECLARATION BY INDEPENDENT DIRECTORS:

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

All those Independent Directors who are required to undertake the online proficiency self-assessment test as contemplated under Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, have passed such test. In the opinion of the Board, Independent Directors of the Company possess requisite integrity, expertise and experience for acting as an Independent Director of the Company.

13. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:

a. COMMITTEES OF THE BOARD:

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

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

b. BOARD DIVERSITY:

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

http://www.arshiyalimited.com/arshiya/assets/pdf/Policy%20on%20Board%20Diversity.pdf

c. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS OF THE COMPANY:

During the year 7 (Seven) meetings were held. The details of the meetings of the Board held during the financial year 2021-22 forms part of the Corporate Governance Report. The gap between two Meetings did not exceed 120 (One Hundred and Twenty) days as per Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 173 of the Companies Act, 2013.

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

d. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

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

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website http://www.arshiyalimited.com/arshiya/assets/ pdf/NRC%20Policy.pdf

We affirm that the Remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

e. BOARD EVALUATION:

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

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

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

The List of expertise are as below:

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

As on 31st March 2022, all the Directors of the Company are having the aforesaid requisite core skills, expertise, and competences.

The Board has carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees, in the manner as enumerated in the Nomination and Remuneration Policy, in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, mandates that the Board shall monitor and review the Board evaluation framework. A structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations, and governance.

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

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

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

f. FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS:

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013, the Board has framed a Familiarization Program for the Independent

Directors of the Company to update them with the nature of industry in which the Company operates and business model of the Company in order to familiarize them with their roles, rights, responsibilities, etc.

All new Independent Directors whenever inducted in the Board attend the orientation program. The details of training and familiarization program for Independent Directors with the Company, nature of the Industry in which the Company operates, business model of the Company and related matters are available on our website http://www.arshiyalimited.com/arshiya/assets/pdf/Familarisation%20programmes%20for%20ID.pdf

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

14. DIRECTORS' RESPONSIBILITY STATEMENT:

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

a) In the preparation of the annual accounts for the year ended 31st March 2022, the applicable accounting standards have been followed and no material departures have been made from the same;

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

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

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

e) They have laid down Internal financial controls and compliance systems established and maintained by the Company and the work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-22;

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

g) They have ensured that the Company adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to company`s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

15. AUDITORS AND AUDITORS' REPORT:

a. STATUTORY AUDITORS:

Pursuant to provisions of Section 139 of the Companies Act, 2013, the shareholders of the Company at the 36th Annual General Meeting, appointed Chaturvedi & Shah LLP, Chartered Accountants (Firm Registration No. 101720W) as Statutory Auditors for a period of Five years, till the conclusion of 41st Annual General Meeting.

b. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2022:

The reports of the Statutory Auditors, Chaturvedi & Shah LLP, Chartered Accountants on the standalone and consolidated financial statements of the Company for the year ended 31st March 2022 form part of this Annual Report. The statutory auditors have submitted modified opinion on the audit of Standalone and Consolidated financial statements for the year ended 31st March 2022.

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

Audit Report on Standalone Financial Statement:

a. The Note no. 6 of the statement, during the current quarter ended 31st March 2022, the Company received settlement of debt letter from Edelweiss Assets Reconstruction Company Limited ("EARC"). The settlement of debts would have become effective upon due completion of all conditions precedent to the satisfaction of EARC as mentioned in the settlement letter which were only partially achieved. However, the Company has given accounting effects of settlement letter in the standalone financial statements for the year ended 31st March 2022. Had the accounting effects of settlement letter not considered in the books of accounts of the Company, borrowing, finance cost, exceptional items, net profit/(loss) for the year, other equity and EPS for the year ended 31st March 2022 would have been ₹ 814,10.59 Lakh, ₹ 186,58.05 Lakh, ₹ 5,45.70 Lakh, ₹ (165,52.82) Lakh, ₹ 257,45.22 Lakh, ₹ (6.31) respectively, as against the reported figure of ₹ 598,43.54 Lakh, ₹ 86,46.77 Lakh, ₹ 472,44.27 Lakh, ₹ 401,57.04 Lakh, ₹ 859,55.28 Lakh, ₹ 15.31 respectively.

Management's Views:

The Company has partially complied with condition precedent of Settlement of Debt. The management of the Company is in discussion with EARC for pending compliances of conditions precedent, further, there is no communication about revocation of settlement of debt from EARC.

b. We draw attention to the Note no. 7 of the statement, during preparation of standalone financial statements for the year ended 31st March 2022, e-mails have been sent to lenders by the Company with a request to confirm their balances directly to us. As at 31st March 2022, direct balance confirmations of total borrowings including interest accrued (including current maturities and current borrowings), aggregating to ₹ 65,189.29 Lakh have not been received. We are unable to obtain sufficient appropriate audit evidence about these borrowings (including interest) outstanding as at 31st March 2022, Consequently, we are unable to determine whether any adjustment to these amounts are necessary and consequential impacts on the standalone financial statements of the Company.

Management's Views:

The management of the Company is in process of arranging balance confirmation. The Company is confident that there will not be significant changes in its liabilities.

Audit Report on Consolidated Financial Statement:

a. The Note no. 6 of the statement, during the current quarter ended 31st March 2022, the Holding Company and one of the subsidiary company received settlement of debt letter of Edelweiss Assets Reconstruction Company Limited ("EARC"). The settlement of debts would have become effective upon due completion of all conditions precedent to the satisfaction of EARC as mentioned in the settlement letter which were only partially achieved. However, the Group has given accounting effects of settlement letter in the consolidated financial statements for the year ended 31st March 2022. Had the accounting effects of settlement letter not considered in the books of accounts of the respective Company, borrowing, finance cost, exceptional items, net profit/(loss) for the year, other equity and EPS for the year ended 31st March 2022 would have been ₹ 1046,65.73 Lakh, ₹ 282,00.94 Lakh, ₹ 545.70 Lakh, ₹ (173,05.77) Lakh, ₹ (386,77.74) Lakh, ₹ (6.88), respectively, as against the reported figure of ₹ 869,52.43 Lakh, ₹ 162,17.40 Lakh, ₹ 489,88.99 Lakh, ₹ 423,90.77 Lakh, ₹ 259,77.10 Lakh, ₹ 16.16 respectively.

Management's Views:

The Group has partially complied with condition precedent of Settlement of Debt. The Group is in discussion with EARC for pending compliances of conditions precedent, further, there is no communication about revocation of settlement of debt from EARC.

b. We to the Note no. 7 of the statement, during the course of preparation of consolidated financial statements for the year ended 31st March 2022, e-mails have been sent to lenders by the respective Company with a request to confirm their balances directly to us. As at 31st March 2022, direct balance confirmations of total borrowings including interest accrued (including current maturities and current borrowings), aggregating to ₹ 13,64,65.38 Lakh have not been received. We are unable to obtain sufficient appropriate audit evidence about these borrowing (including interest) outstanding as at 31st March 2022. Consequently, we are unable to determine whether any adjustment to these amounts are necessary and consequential impacts on the consolidated financial statements of the Group.

Management's Views:

The management of the Group is in process of arranging balance confirmation. The Group is confident that there will not be significant changes in its liabilities.

c. INTERNAL AUDIT AND CONTROL:

M/s. Aneja Associates, Chartered Accountants (Firm Registration Number 100404W), Internal Auditors of the Company have carried out internal audit of the Company for the financial year 2021-22, as per scope of work finalized with the Audit Committee. The findings of the Internal Auditors are discussed on an on-going basis in the meetings of the Audit Committee and corrective actions are taken as per the directions of the Audit Committee. The Audit Committee has accepted all the recommendations of the Internal Auditors.

In respect of FY 2022-23, the Board, based on the recommendation of the Audit Committee, approved the appointment of M/s. Aneja Associates, Chartered Accountants, (Firm Registration Number 100404W), as the Internal Auditors of the Company.

d. FRAUD REPORTING:

During the year under review, there were no instances of fraud falling within the purview of Section 143 (12) of the Companies Act, 2013 and rules made thereunder, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted.

e. COST AUDITOR:

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

f. SECRETARIAL AUDIT REPORT AND ANNUAL SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED 31ST MARCH 2022:

Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. Aabid & Co., Practicing Company Secretary has been appointed to undertake the Secretarial Audit and issue Secretarial Audit Report and Annual Secretarial Compliance Report for the Financial Year 2021-22. The Secretarial Audit Report in form MR-3 forms part of this Annual Report as an **Annexure - III** to the Board's Report. The observation in the Secretarial Audit report issued is as follows:

1. As per regulation 17(1)(c) of the SEBI (LODR) Regulations, 2015, the number of directors on Board of the company should be six, however the number of directors on Board of the company is five that is less than six.

Management reply on the same:

With respect to the above remark, the company is looking for a better candidate, who understand the rare business of FTWZ and is also familiar with functioning of FTWZ. Hence it is taking time to find a suitable candidate for a very technical business model like that of Arshiya's. The Company has made best of its efforts to find a suitable candidate and will close the appointment as soon as possible.

Annual Secretarial Compliance Report for the financial year 2021-22 pursuant to Regulation 24A of the SEBI Listing Regulations, form part of this report as an **Annexure IIIA** and Secretarial Audit Report of the material subsidiary(ies), if any forms part of this report as **Annexure IIIB**. The said reports do not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013 and listing regulations as may be applicable to the companies.

g. DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

16. EMPLOYEE STOCK OPTIONS:

Your Company has granted equity shares to officials of the Company and on recommendation of Meeting of members of Nomination and Remuneration Committee and meeting of Board of Directors held on 30th May 2022 modified the terms of ESOPs granted to the officials as mentioned in below table:

Start date of Vesting Period	Name of Employee	Total ESOPs granted	Grant of ESOP	Price (₹)	Vesting period	Maximum number / % of options shall vest
30.06.2021	Viraj Mahadevia (Director – Strategy)	12,00,000	4,00,000	2	1 year from the grant date	100%
30.05.2022		12,00,000	8,00,000	2	1 year from date of grant	100%
13.11.2021	Navnit Choudhary (Vice President Commercials)	20,00,000	8,00,000	2	1 year from the grant date	100%
30.05.2022		20,00,000	12,00,000	2	1 year from the grant date	100%

The scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. In terms of the provisions of Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the details of the Stock Options granted under the aforesaid ESOP Scheme 2019 are uploaded on the website of the Company http://www. arshiyalimited.com/ arshiya/Scheme-%20ESOP.html

17. BUSINESS RESPONSIBILITY REPORTING ("BRR"):

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

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

18. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

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

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for prevention of insider trading is available on our website http://www. arshiyalimited. com/arshiya/assets/pdf/Code%20of%20Conduct%20for%20Insider%20Trading%20and%20%20 Fair%20Disclosure.pdf

19. POLICIES:

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

The Policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

The details of the Polices along with their Description and Web link are mentioned below:

Name of the Policy	Brief Description	Web Link
Nomination and Remuneration Policy	The purpose of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.	http://www.arshiyalimited.com/arshiya/ass ets/pdf/NRC%20Policy.pdf
Related Party Transaction Policy	The purpose of this policy is to regulate all transactions between the Company and its related parties.	http://www.arshiyalimited.com/arshiya/assets/pdf/Related%20Party%20 Transaction%20Policy.pdf
Code of conduct for prevention of insider trading & Code of corporate disclosure practices	The purpose of this Policy is to provide the framework for dealing in securities of the Company.	http://www.arshiyalimited.com/arshiya/assets/pdf/Code%20of%20Conduct%20 for%20Insider%20Trading%20and%20 %20Fair%20Disclosure.pdf
Policy on Material Subsidiary	The purpose of this policy is to determine the material subsidiaries and to provide the governance framework for them.	http://www.arshiyalimited.com/arshiya/assets/pdf/Policy%20on%20Material%20 Sub sidiaries.pdf
Risk management Policy	The purpose of this policy is to lay down the framework of the Risk Management.	http://www.arshiyalimited.com/arshiya/assets/pdf/Risk%20Management%20 Policy.p df
Whistle Blower Policy (Policy on Vigil Mechanism)	The purpose of this policy is to provide mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	http://www.arshiyalimited.com/arshiya/assets/pdf/Vigil%20mechanism%20%20 Whistle%20Blower%20Policy.pdf
Policy on Board Diversity	The purpose of this policy is to have optimum combination of Directors from different areas and fields.	http://www.arshiyalimited.com/arshiya/assets/pdf/Policy%20on%20Board%20 Diver sity.pdf
Archival Policy	The purpose of this Policy is to archive any of the material events or information which are disclosed by the Company to the Stock Exchanges.	http://www.arshiyalimited.com/arshiya/assets/pdf/Archival%20policy.pdf
Policy for determination of Materiality of any event / information	The purpose of this Policy is to determine materiality of events and information and to ensure that the Company shall make disclosure of events / information.	http://www.arshiyalimited.com/arshiya/assets/pdf/Policy%20for%20 determination%20of%20materility%20 of%20events%20or%20information.pdf
Policy for preservation of documents	The purpose of this Policy is to ensure that all the necessary documents and records of the Company are adequately protected and preserved as per the statutory requirements.	http://www.arshiyalimited.com/arshiya/assets/pdf/Policy%20for%20 preservation%2 0of%20Documents.pdf
Policy on Corporate Social Responsibility	The purpose of this policy is to identify the activities wherein the Company can contribute for fulfilling its Corporate Social Responsibility.	http://www.arshiyalimited.com/arshiya/assets/pdf/Corporate%20social%20 responsib ilty%20policy.pdf
Policy on Board Evaluation	The purpose of the Board Evaluations to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony	http://www.arshiyalimited.com/arshiya/assets/pdf/Policy%20on%20Board%20 Evalu ation.pdf
Dividend Distribution policy	The purpose of this Policy is to facilitate the process of dividend recommendation or declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long-term capital appreciation for all stakeholders of the Company	http://www.arshiyalimited.com/arshiya/assets/pdf/Dividend%20Distribution%20 Poli cy.pdf
Code of Conduct for Board of Directors and Senior Management	The purpose of this policy is that the Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the Company	http://www.arshiyalimited.com/arshiya/as sets/pdf/code-of-conduct-for-board-and-senior-management-_120200626160706.pdf

20. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

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

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

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

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

21. HUMAN RESOURCES:

Your Company is committed in strengthening its human resources by induction of experienced and competitive professionals, on the other hand your Company is formulating appropriate policies, systems and schemes which will create adequate opportunities for growth in career and create a working environment which enhances productivity. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers.

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

Your Company continues to enjoy cordial and harmonious relations and not a single man hour was lost on account of any Industrial disturbance during the year 2021-22.

22. PARTICULARS OF EMPLOYEES AND REMUNERATION:

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

23. PREVENTION OF SEXUAL HARASSMENT OF WOMEN ATWORKPLACE:

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, the Company has in place a Policy on Prevention of Sexual Harassment (PoSH) of women at workplace. Further, the Company has also formed an Internal Complaints Committee to redress the complaints regarding sexual harassment. Your directors further state that during the year under review, no complaints were received in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

24. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Board of Directors of the Company has pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, established Vigil Mechanism Policy-Whistle Blower Policy for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and/or reports, etc.

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

25. CORPORATE GOVERNANCE REPORT:

The Company adheres to good corporate governance practices as per Schedule V of SEBI Listing Regulations. The Report on Corporate Governance and requisite certificate from the Practicing Company Secretary, confirming compliance of the conditions of Corporate Governance is included in the Annual Report.

26. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as required pursuant to the provisions of Schedule V of the SEBI Listing Regulations, forms part of this Annual Report.

27. RISK MANAGEMENT:

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

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

The Risk Management Policy has been hosted on the website of the company at http://www.arshiyalimited.com/arshiya/assets/pdf/Risk%20 Management%20Policy.pdf

28. HEALTH, SAFETY AND ENVIRONMENT:

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

29. CONSERVATION OF ENERGY:

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

- Roof of the warehouses at our FTWZs have been designed with MR24 standards with roof insulation which gives temperature variation of 8 Degree with ambient temperature. A provision of installation of solar panels will be made on the roofs to generate renewable energy in all new warehouses and Skylights have been provided at 3% area of roof to avoid artificial light in the warehouse during day time.

- Orientation of the warehouse buildings has been done in such a way that there is less heat transmission resulting in saving the electricity consumption by minimizing heat loss in the HVAC system.

- Ridge ventilators are installed at the roof of all WHs, whereby there is no need of power run turbo ventilators, which saves the huge amount of power.

- Cold rooms are having the best quality insulations in roofs/sides/top and floor so as to ensure no leakage of cooling and thus saving a lot of power. The doors of the cold rooms have been installed with air curtains so that during operation, internal temperatures is maintained without any loss of cooling.

- The central control room have been installed with the control panels which controls the temp of cold rooms and monitor automatically so to achieve the pre-set temperature requirement. The chiller units are also centrally controlled.

- Office air conditioning system is having VRV units, which adjust the power requirement as per the required heat load. This saves a lot of power requirement.

- All peripheral and yard lighting is having auto on and off system, set with the timings, which saves lot of wasteful energy. The docking doors are placed to ensure the minimum run by the forklifts, which reduces large power required for re- charging.

Following environment friendly measures are being implemented in Mumbai FTWZ,

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

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

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

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

30. EXTRACT OF ANNUAL RETURN:

In accordance with Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of chapter VII of the Companies (Management and Administration) Amendment Rules, 2020, an extract of Annual Return in Form No. MGT-7 for F.Y. 2021-22 is uploaded on the website of the Company and can be accessed at http://www.arshiyalimited.com/annual-reports.html

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

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

32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

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

i. Details relating to deposits covered under Chapter V of the Act.

ii. Your Company has not raised any funds through qualified institutions placement as per Regulation 32(7A) of SEBI Listing Regulations.

ii. Your Company does not engage in commodity hedging activities.

iv. Your Company has made settlement of debt mentioned in point no.8 (ii).

v. There were no events relating to Receipt of any remuneration or commission from any of its subsidiary companies by Chairman / Managing Director of the Company.

vi. There is no plan for Revision of the financial statements pertaining to previous financial periods during the financial year under review.

vii. Your Company has not made any application or there are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) in the previous financial year other than routine course of business.

34. ACKNOWLDGEMENTS & APPRECIATIONS:

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

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

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

	Ajay S. Mittal	**Archana A. Mittal**
Date: 10th August 2022	Chairman & Managing Director	Joint Managing Director
Place: Mumbai	DIN: 00226355	DIN: 00703208

Annexure - I

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

S.No.	Name of the subsidiary	Financial Period ended	Currency	Equity	Other Equity	Total assets	Total liabilities (excluding equity and other equity)	Investments	Turnover	Profit / (Loss)before taxation	Provision for taxation	Profit / (Loss) after taxation	% of Share holding(1*)
1	Arshiya Northern FTWZ Limited	31st March, 2022	INR	1,086.87	(3,285.43)	71,089.09	73,287.65	-	326.39	(5,897.26)	-	(5,897.26)	100%
2	Arshiya Technologies (India) Private Limited	31st March, 2022	INR	10.12	(17.14)	0.42	7.44	-	-	(0.87)	-	(0.87)	100%
3	Arshiya Lifestyle Limited	31st March, 2022	INR	148.50	1,940.75	13,955.11	11,865.86	1.00	9,807.03	25.31	8.84	16.47	100%
4	Arshiya Logistics Services Limited	31st March, 2022	INR	160.00	(347.38)	3,522.29	3,709.67	7.00	7,731.90	21.60	17.70	3.90	100%
5	Arshiya Northern Projects Private Limited	31st March, 2022	INR	5.00	(21.81)	0.53	17.34	-	-	(4.36)	-	(4.36)	100%
6	Arshiya Infrastructure Developers Private Limited	31st March, 2022	INR	1.00	(3.47)	-	2.47	-	-	(0.79)	-	(0.79)	100%
7	Unrivalled Infrastructure Private Limited	31st March, 2022	INR	1.00	(1.64)	12.65	13.29	-	-	(0.57)	-	(0.57)	100%
8	Arshiya 3PL Services Private Limited	31st March, 2022	INR	5.00	(249.98)	73.94	318.92	-	149.07	(8.60)	-	(8.60)	Nil (2*)
9	Arshiya Panvel Logistics Services Private Limited	31st March, 2022	INR	1.00	4.77	629.25	623.48	-	892.91	7.79	1.90	5.89	Nil (2*)
10	Arshiya Panvel FTWZ Services Private Limited	31st March, 2022	INR	1.00	750.45	12,143.88	11,392.43	-	555.15	5.15	0.77	4.38	Nil (3*)
11	Arshiya Data Centre Private Limited	31st March, 2022	INR	1.00	(183.09)	13,277.14	13,459.23	-	-	(1,236.91)	-	(1,236.91)	100%
12	Arshiya Distribution Hub Private Limited	31st March, 2022	INR	1.00	(0.28)	0.97	0.25	-	-	(0.28)	-	(0.28)	Nil (2*)
13	Anomalous Infra Private Limited	till 28th March, 2022	INR	-	-	-	-	-	(595.24)	-	-	-	Nil
14	AMD Business Support Services Private Limited	till 13th August, 2021	INR	-	-	-	-	-	-	(0.04)	-	(0.04)	Nil

(1*) % of Share Holding including beneficial interest/ voting power (either directly/indirectly or through subsidiaries).

(2*) 100% held through Arshiya Logistics Services Limited

(3*) 100% held through Arshiya Lifestyle LimitedFor and on behalf of the Board of Directors of Arshiya Limited

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary
Mem. No A29732

Place: Mumbai
Date: 30th May, 2022

ANNEXURE - II

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and

Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

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

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

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

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

A. The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2022.

SL. No.	Particulars	Details	
a.	Name (s) of the related party	**Arshiya Northern FTWZ Ltd.**	**Arshiya Lifestyle Limited**
b.	Nature of relationship	Wholly owned Subsidiary	Wholly owned Subsidiary
c.	Nature of contracts/ arrangements / transaction	Lease Agreement	Income billed to customer on behalf of the Subsidiary Company
d.	Duration of the contracts/ arrangements/ transaction	6 years	5 years
e.	Salient terms of the contracts or arrangements or transaction including the value, if any	Lease / ₹ 33.76 Lakh	₹ 221.85 Lakh
f.	Date of approval by the Board	January 29, 2018	January 29, 2018
g.	Amount paid as advances, if any	-	

SL. No.	Particulars	Details	
a.	Name (s) of the related party	**Arshiya Northern FTWZ Ltd.**	**Laxmipati Balaji Supply Chain Management Limited**
b.	Nature of relationship	**Wholly owned Subsidiary**	**Related party**
c.	Nature of contracts/ arrangements / transaction	Lease Agreement	Electricity consumption
d.	Duration of the contracts/ arrangements/ transaction	6 years	NA
e.	Salient terms of the contracts or arrangements or transaction including the value, if any	Lease / ₹ 24.00 Lakh	₹ 104.47 Lakh
f.	Date of approval by the Board	26th June, 2020	26th June, 2020
g.	Amount paid as advances, if any	-	

SL. No.	Particulars	Details	
a.	Name (s) of the related party	**Anomalous Infra Private Limited**	**Arshiya Data Centre Private Limited**
b.	Nature of relationship	Wholly owned Subsidiary	Wholly owned Subsidiary
c.	Nature of contracts/ arrangements / transaction	Lease Agreement	Lease Agreement
d.	Duration of the contracts/ arrangements/ transaction	30 years	30 years
e.	Salient terms of the contracts or arrangements or transaction including the value, if any	Lease / ₹ 3.00 Lakh	Lease / ₹ 3.00 Lakh
f.	Date of approval by the Board	May 27, 2019	May 27, 2019
g.	Amount paid as advances, if any	-	-

SL. No.	Particulars	Details	
a.	Name (s) of the related party	**Arshiya Lifestyle Limited**	**Arshiya Panvel FTWZ Services Private Limited**
b.	Nature of relationship	Wholly owned Subsidiary	Ultimately Wholly owned Subsidiary
c.	Nature of contracts/ arrangements / transaction	Business Conducting Agreement	Business Conducting Agreement
d.	Duration of the contracts/ arrangements/ transaction	6 years from 3rd Feb, 2018	6 years from 1st March, 2022
e.	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 2,503.84 Lakh	₹ 511.25 Lakh
f.	Date of approval by the Board	January 29, 2018	February 14, 2022
g.	Amount paid as advances, if any	2,166.75 Lakh	-

SL. No.	Particulars	Details	
a.	Name (s) of the related party	**AMD Business Support Services Private Limited**	**Arshiya Rail Infrastructure Limited**
b.	Nature of relationship	Related Party	Related Party
c.	Nature of contracts/ arrangements / transaction	ICD Agreement	Lease Agreement
d.	Duration of the contracts/ arrangements/ transaction	3 years from 2nd February, 2022	6 years
e.	Salient terms of the contracts or arrangements or transaction including the value, if any	12% Interest Rate ₹ 50.23 Lakh	₹ 5.00 Lakh
f.	Date of approval by the Board	13th November, 2022	30th June, 2021
g.	Amount paid as advances, if any	-	-

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

Ajay S Mittal
Chairman & Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN:00703208

Date: 10th August, 2022
Place: Mumbai

ANNEXURE III
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

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

To,
The Members,
Arshiya Limited
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli,
Mumbai – 400 018, Maharashtra

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

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed, and other records maintained by the Company for the Financial Year ended on 31st March, 2022 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. *As per regulation 17(1)(c) of the SEBI (LODR) Regulations, 2015, the number of directors on Board of the company should be six, however the number of directors on Board of the company is five that is less than six.*

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

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

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

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

1. During the year under review, The Company at its board meeting held on 13th November 2021 approved and noted the resignation of Mrs. Manjari Ashok Kacker from the position of the Independent Director of the Company with effect from 1st November 2021

2. During the year under review, a wholly own subsidiary of the company Arshiya Distribution Hub Private Limited has been incorporated on 2nd July 2021.

3. During the year under review, the company has filed an application for compounding for delay in filing form FCGPR

4. During the year under review, the During the year under review, the Company at its Board Meeting held on 30th June 2021 has approved and allotted 400,000 Equity Shares to Mr. Viraj Mahadevia, Director (Strategy) of the company as per the terms of Arshiya Limited Employees Stock Option Scheme, 2019 (the Scheme 2019).

5. During the year under review, the Company at its Board Meeting held on 13th November 2021 has approved and allotted 20,00,000 Equity Shares to Mr. Navnit Choudhary, Vice president (Commercial)of the company as per the terms of Arshiya Limited Employees Stock Option Scheme, 2019 (the Scheme 2019).

6. During the period under review, the company has made a settlement of part of its debts. Hence, post the demerger and the Settlement of Debt, consolidated debt of Arshiya Limited and its subsidiaries, now stands at approximately INR 1,294 crores against the erstwhile debt of INR 3,040 crores.

7. During the year under review, the registered office of the company has shifted within the local limits of city with effect from 30th September 2021.

Note:

1. We have conducted online verification & examination of records, as facilitated by the Company.
2. This report is to be read with our letter of even date which is annexed as '**Annexure-I**' and forms an integral part of this report.

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: **F6579**
COP No.: **6625**
UDIN: F006579D00432367

Place: Mumbai
Date: 30th May 2022

ANNEXURE-I

To,
The Members,
Arshiya Limited
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli,
Mumbai – 400 018, Maharashtra

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

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

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

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

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

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

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

ANNEXURE III A
ANNUAL SECRETARIAL COMPLIANCE REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

We Aabid & Co. have examined:

a) All the documents and records made available to us and explanation provided by Arshiya Limited ("the listed entity"),

b) The filings/ submissions made by the listed entity to the stock exchanges;

c) Website of the listed entity and

d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification.

For the year ended 31st March 2022 in respect of compliance with the provisions of:

a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and

b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI").

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not applicable during the period under review**)

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not applicable during the period under review**)

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (**Not applicable during the period under review**)

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

i) and circulars/ guidelines issued there under; and based on the above examination, we hereby report that, during the Review Period:

   a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under except in respect of matters specified below:

Sr. No	Compliance Requirement (Regulations/ Circulars/guidelines including specific clause)	Deviations Observations	Observations/Remarks of the Practicing Company Secretary
1.	As per regulation 17(1)(c) of the SEBI (LODR) Regulations, 2015, the number of directors on Board of the company should be six	Non-Compliance of regulation 17(1)(c) of the SEBI (LODR) Regulations, 2015	The number of Directors on Board is 5(Five)and hence there is a non-compliance of regulation 17(1)(c) of the SEBI (LODR) Regulations, 2015

b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder so far as it appears from our examination of those records;

c) No actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued;

d) The listed entity has taken the following actions to comply with the observations made in previous reports: **N/A**

For **Aabid & Co**
Company Secretaries

Mohammed Aabid
Partner
Membership No.: **F6579**
COP No.: **6625**
UDIN: F006579D00414338

Place: Mumbai
Date: 30th May 2022

ANNEXURE III B

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

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

To,
The Members,
Arshiya Lifestyle Limited
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road,
Worli, Mumbai – 400 018, Maharashtra

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

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed, and other records maintained by the Company for the Financial Year ended on 31st March, 2022 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. During the year under review, the Registered office of the company was shifted within the local limits of city with the approval of the Board in the Board meeting held on 30th September,2021.

2. During the year under review, M/s Walker Chandoik & Co LLP, Chartered Accountants having firm Registration No. 001076N/N500013 appointed as statutory auditor of the company in the Board meeting held on 13th August, 2021.

3. During the year under review, the Company at its Board meeting held on 28th June, 2021 approved and noted the resignation of Mr. Vinod Parekh from the position of Director with effect from 31st May,2021.

4. During the year under review, Mr. Pramod Raghavan resigned from the position of Director with effect from 16th August,2021.

5. During the year under review, M/s. Aneja Associates, Chartered Accountants (Firm Registration No 100404W) appointed as the Internal Auditor of the company for the Financial Year 2021-22.

Note:

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

For **Aabid & Co**
Company Secretaries

Shweta Dinesh Sharma
Partner
Membership No.: **A23466**
COP No.: **22002**
UDIN: **A023466D000826103**

Place: Mumbai
Date: 22nd August, 2022

ANNEXURE-I

To,
The Members,
Arshiya Lifestyle Limited
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road,
Worli, Mumbai – 400 018, Maharastra

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

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

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

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

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

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

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

ANNEXURE III B

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arshiya Logistics Services Limited
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road,
Worli Mumbai Maharastra- 400018

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

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2022 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. During the year under review, the Registered office of the company was shifted within the local limits of city with the approval of the Board in the Board meeting held on 30th September,2021.

2. During the year under review, Mr. Pramod Raghavan resigned from the position of Director with effect from 16th August,2021.

3. During the year under review, the Company at its Board meeting held on 28th June, 2021 approved and noted the resignation of Mr. Vinod Parekh from the position of Director with effect from 31st May,2021.

4. During the year under review, M/s Walker Chandoik & Co LLP, Chartered Accountants having firm Registration No. 001076N/N500013 appointed as statutory auditor of the company in the Board meeting held on 13th August, 2021.

5. During the year under review, M/s. Aneja Associates, Chartered Accountants (Firm Registration No 100404W) appointed as the Internal Auditor of the company for the Financial Year 2021-22.

Note:

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

For **Aabid & Co**
Company Secretaries

Shweta Dinesh Sharma
Partner
Membership No.: **A23466**
COP No.: **22002**
UDIN: **A023466D000826444**

Place: Mumbai
Date: 22nd August, 2022

ANNEXURE-I

To,
The Members,
Arshiya Logistics Services Limited
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road,
Worli, Mumbai – 400 018, Maharashtra.

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

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

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

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

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

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

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

ANNEXURE III B
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arshiya Northern FTWZ Limited
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road,
Worli, Mumbai – 400 018, Maharashtra.

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

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2022 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Whereas Companies Act, 2013 requires every company to keep and maintain statutory registers at its registered office, however the statutory registers of the company are not up-to-date for the period under review.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director. No changes in the composition of the Board of Directors that took place during the period under review.

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

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

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

1. During the year under review, Ms. Komal Toshniwal appointed as the Company Secretary of the Company with effect from 01st July, 2021.

2. During the year under review, the Registered office of the company was shifted within the local limits of city with the approval of the Board in the Board meeting held on 30th September,2021.

3. During the year under review, Mr. Navnit Choudhary re-appointed as Director liable to retire by rotation in the Annual General Meeting of the Company held on 13th August, 2021.

Note:

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

For **Aabid & Co**
Company Secretaries

Shweta Dinesh Sharma
Partner
Membership No.: **A23466**
COP No.: **22002**
UDIN: **A023466D000826501**

Place: Mumbai
Date:22nd August,2022

ANNEXURE-I

To,
The Members,
Arshiya Northern FTWZ Limited
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, Dr. Annie Besant Road,
Worli, Mumbai – 400 018, Maharastra.

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

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

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

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

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

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

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

ANNEXURE IV

DETAILS PERTAINING TO REMUNEARTION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE (5)(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021– 22 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021 – 22 are as under:

Since none of the Directors is being paid any remuneration, hence aforementioned ratio for the financial year cannot be ascertained. Only Independent directors are paid sitting fee @ ₹ 20,000/- (Rupees Twenty Thousand only) per Board Meeting and @ ₹ 5,000/- (Rupees Five Thousand only) per Audit Committee meeting.

ii. The median remuneration of employees of the Company during the financial year 2021-22 as ₹ 4,92,144/-. (Percentage increase of 23%);

iii. There were 69 permanent employees on the rolls of Company as on March 31, 2022.

iv. Average percentage increase made in the salaries of employees in the financial year 2021- 22 was 58 % and average increase in the managerial remuneration paid to Key Managerial Personnel was 5.26 %.

v. It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

vi. Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: **Not Applicable**

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

Ajay S. Mittal
Chairman & Managing Director
DIN: 00226355

Archana A. Mittal
Joint Managing Director
DIN: 00703208

Date: 10th August 2022
Place: Mumbai

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

A. Conservation of energy:

1. **Steps taken or impact on conservation of energy:**

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

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

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

3. **Capital investment on energy conservation equipment's:** Not Applicable.

B. Technology absorption:

1. **Efforts made towards technology absorption:**

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

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

   Saves cost, time and improves the quality.

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

   a. The Details of technology imported: None

   b. Year of Import: Not Applicable

   c. Whether the technology has been fully absorbed: Not Applicable

   d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

   e. Expenditure incurred on Research and Development: NIL

C. Foreign exchange earnings and Outgo:

₹ in Lakhs

Particulars	**Standalone**		**Consolidated**	
	31st March 2022	**31st March 2021**	**31st March 2022**	**31st March 2021**
Foreign Exchange Earnings	221.85	1,335.00	11,819.95	10,565.66
Foreign Exchange outgo	0.11	-	0.11	-
TOTAL	**221.96**	**1,335.00**	**11,820.06**	**10,565.66**

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

Ajay S. Mittal
Chairman & Managing Director
DIN: 00226355

Archana A. Mittal
Joint Managing Director
DIN: 00703208

Date: 10th August 2022
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY REVIEW:

The global economy in 2021 bounced back strongly after the COVID-19 related declines in 2020. However, it was impacted by new variants of virus which impacted the demand and supply equation, worldwide. In 2021, the global economy expanded by 5.5% (contraction of 3.3% in 2020), triggered by rise in demand, strong consumer spending, and surge in investment due to fiscal and monetary stimulus.

The year 2022 has also been equally challenging because the momentum of growth has been impacted by monetary tightening, re-globalization, and adverse implications of geo-political issues. The recovery which started in 2021 is facing headwinds in 2022, with the World Bank now pegging the global economy to grow at sub-3% levels over 2022 and 2023.

The recent lockdowns in different parts of the world have snarled operations at some of the world's major ports, affecting the supply chains. Considering that the manufacturer to the world faces disruptions and challenges, as do various other countries, these circumstances are weighing on the global economy and adding another risk to the inflation picture. The ongoing war, lockdowns, and rising inflation are further exacerbating the recovery of the global economy. Basis the above headwinds, global trade volumes are expected to grow by 4% in 2022 and 4.3% in 2023.

INDIAN ECONOMY OVERVIEW:

Indian economy is leaping towards its best-ever performance and is expected to be one of the top three economy in the world over the next few decades, backed by its robust demand and higher consumer base. India's economy is the fastest-growing economy of the emerging nations post-pandemic. India's real GDP growth was 8.7% in 2021-22 against a contraction of 7.3% in 2020-21.

The current growth in the economy is a result of various initiatives taken by the Government of India. In 2020, the Government of India announced an INR 2.65 lakh crore (USD 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors. India's cabinet approved the production-linked incentives (PLI) scheme to provide approximately INR 2 trillion (USD 27 billion) over five years, to create jobs and boost production in the country.

Combination of high Foreign Exchange Reserves, sustained Foreign Direct Investment, and rising export earnings will provide an adequate base for future growth to Indian economy. Further, the production-linked incentive (PLI) schemes in 14 sectors, will further encourage private investment to boost export growth and allow for feasible import substitution in the country.

India's GDP in 2022-23 is likely to be impacted by various factors like restraints on energy access and prices, food inflation, reflexes from trade sanctions, tightening policies and financial instability. Amid this scenario, the GDP is likely to be around 8.2% for 2022-23. The 2022-23 budget is a balanced response by the Government to support economic recovery and enable the projected 8%-8.2% GDP growth rate for 2022-23. The announcements for record setting outlay on infrastructure projects and push for the rural economy in the budget will support and revive the industry in general, recovering from the pandemic-induced shocks.

GLOBAL LOGISTICS INDUSTRY OVERVIEW:

The Global Logistics market attained a value of USD 4.92 trillion in 2021. Going forward, the market is expected to achieve USD 6.55 trillion by 2027, translating into a CAGR of 4.7% from 2022-2027. The logistics sector is vital for the global economic growth. On an average, logistics sector accounts for circa 8-10% in the GDP of various countries across the world. However, lockdowns caused by pandemic have disrupted the supply chains and exposed the vulnerabilities of the sector. While addressing these vulnerabilities, the sector, as a whole, is bouncing back stronger.

Execution capabilities of logistics sector was already undergoing a change due to gradual adoption of technology. This process was accelerated due to challenges raised by the pandemic such as social distancing, public health measures etc. Accordingly, Artificial Intelligence(AI), Robotics, Data Analytics, Warehouse Automation etc. are changing the competitive landscape. Increase in adoption of these technologies have led to higher supply chain efficiency by reducing costs and minimizing errors.

Additionally, the e-commerce sector has been driving demand for logistics and warehousing across global markets and has emerged as the most prominent driver of the warehousing market volumes.

INDIAN LOGISTICS INDUSTRY OVERVIEW:

The logistics industry in India, considered to be the major growth driver and holds unprecedented importance as it connects various markets, suppliers and customers dotted across the country, and has now been firmly embedded as an integral part of the national GDP value chain. In FY 2021, the size of the Indian logistics market was around USD 250 billion and estimated that this market would grow to USD 380 billion by 2025, at a CAGR of approximately 11%.

Recently, the sector has been witnessing transformation, with the use of technology by both new age start-ups and established players to enhance cargo visibility, reducing errors by digitising documentation processes and by bringing transparency in pricing. The sector is expected to witness steady growth in the medium to long-term timeline, on account of growing imports and exports, supported by various infrastructure development measures taken by the government. The Government has undertaken various initiatives to develop the logistics infrastructure in the country. Some key initiatives are listed below:

1. Logistics sector has been granted infrastructure status allowing the sector to have access to funds at easier terms with enhanced limits.

2. National Logistics Policy has been drafted to focus on the development of a fully integrated logistics network with best-in-class technology and automation. The National Logistics Policy will enable the creation of a single point of reference for all logistics and trade facilitation matters in the country, which will also function as a knowledge and information-sharing platform.

3. Announcement of 25,000 km of new highways, Gati Shakti Masterplan for expressways 100, new cargo terminals with multi modal logistic park and initiatives to connect urban transport to railways.

4. Planning for commencement of Western Dedicated Freight Corridor (DFC) and Eastern DFC by 2022.

5. Fitment of FASTag has been mandated by the Ministry of Road Transport and highways with effect from 2021 to ensure 100% e-tolling at toll booths. FASTag will ensure ease of payments, and reduction of waiting time at tolls.

The warehousing industry in India is largely unorganized, however with all the policy reforms that are being undertaken there is a paradigm shift in the industry structure where it is becoming favourable for organised players.

Further, despite COVID-induced burdens and delays, these initiatives are steps in the right direction, and it has resulted in increase in the interest of foreign investors to enhance their footprint in the country by way of investments in the warehousing and logistics sectors.

ABOUT ARSHIYA BUSNIESS

Arshiya Limited together with its subsidiaries is a flagship Company of Arshiya Group. It is pioneering Unified Supply Chain and integrated logistics infrastructure solution provider with Group headquartered in India. The group businesses comprises of Logistics, Free Trade and Warehousing Zone (FTWZ), 3 Party Logistics (3PL), Supply Chain Management solutions and Data Centre.

MULTI-PURPOSE SEZ:

The Company's free trade warehousing zone at Khurja (UP) and Panvel have been declared as a multi-Purpose SEZ.

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

FREE TRADE WAREHOUSING ZONE (FTWZ) BUSINESS

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

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

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

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

3 PL SERVICES

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

SUPPLY CHAIN MANAGEMENT

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

DATA CENTRE

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

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

OPPORTUNITIES:

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

Further, the implementation of GST has led to a significant increase in profitability for developers in the warehousing sector. Companies are now able to maintain pre-GST service levels with lower levels of inventory and are leapfrogging the multiple barriers to entry. Post GST, companies are consolidating their supply chains for market/ supply chain efficiency, and leasing large format warehouses.

Consumer, retail and e-commerce companies are driving the demand for grade A modern warehouses. These sectors are also increasing their market reach and depth and hence have a greater requirement for fulfilment and distribution services. Express and cross-border logistics services offer attractive growth, higher profitability and increased customer stickiness and are natural extensions to our portfolio of offerings.

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

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

1) Favourable policy changes;

2) Robust demand for organized warehousing;

3) Ease of doing business;

4) Higher consumption base; and

5) Increasing interest of foreign investors

THREATS:

The Logistics & Supply Chain industry faces several threats and challenges, such as higher energy prices impacting the competitiveness in the domestic market. Competitiveness of various industry players is determined by several factors, such as availability of anchor customers, levels of automation and technology deployed in day-to-day operations, reliability of the supply chain, adherence to compliance standards and multi-sector domain expertise for a third party logistics player.

Further, the trend towards larger-scale logistics service providers in India continues several logistics sub-segments—such as road transportation, freight forwarding, customs handling and CFSs—have multiple players operating in the same region or targeting the same sets of customers with me-too offerings. Several logistics sub-segments are significantly impacted by regulations.

SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

Your Company's entire business is from inter-modal logistics. There are no other primary / secondary segments in your Company's business.

Segment Reporting:

Disclosure of segment reporting as per the requirements of Ind AS 108 "Operating Segment" is reported in the consolidated financial statements of the Company. Therefore, the same has not been separately disclosed in the standalone financial statements in line with the requirement of Ind AS 108.

RISKS, CONCERNS, AND ITS REQUISITE MITIGATION:

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

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

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE OF THE COMPANY:

STANDALONE FINANCIAL PERFORMANCE OF THE COMPANY: ₹ In Lakhs

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021	Variance	Variance in %
INCOME				
Revenue from operations	6,193.34	6,632.39	(439.05)	-6.62%
Other income	818.96	1,094.85	(275.89)	-25.20%
Total Income	**7,012.30**	**7,727.24**	**(714.94)**	
EXPENSES				
Employee benefits expenses	1,299.13	961.13	338.00	35.17%
Finance costs	8,646.77	14,812.38	(6,165.61)	-41.62%
Depreciation and amortization expenses	1,032.54	1,289.67	(257.13)	-19.94%
Other expenses	3,121.09	1,520.17	1,600.92	105.31%
Total Expenses	**14,099.53**	**18,583.35**	**(4,483.82)**	
Profit/(loss) before exceptional items and tax	**(7,087.23)**	**(10,856.11)**	**3,768.88**	**-34.72%**
Exceptional Items (net)	(47,244.27)	-	(47,244.27)	100.00%
Profit/(loss) before tax	**40,157.04**	**(10,856.11)**	**51,013.15**	**-469.90%**
Tax expense	-	-	-	
Profit/(loss) for the year	**40,157.04**	**(10,856.11)**	**51,013.15**	**-469.90%**

NOTE:
The financial statements of the Company for the period from 1st April, 2019 upto 31st March 2021 have been restated pursuant the Scheme of Arrangement (Scheme) approved by National Company Law Tribunal, Mumbai Bench (NCLT) vide it's order dated 21st January, 2022. The Scheme became effective from 2nd February, 2022 with the Appointed date of the scheme is 1st April, 2019.

REMARKS FOR MAJOR VARIANCES:

1. Other income is lower due to certain receipt against provision in FY 20-21.

2. Employee benefits expenses increased due to increase in manpower.

3. Finance cost lower due to impact of settlement of debts in current year.

4. Other expenses are higher due to loss on sale of investment in a subsidiary and less valuation of monetisation of land.

5. The exceptional items during the year ended 31st March 2022 represent settlement of debts (net).

CONSOLIDATED FINANCIAL PERFORMANCE OF THE COMPANY:

₹ In Lakhs

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021	Variance	Variance in %
Income				
Revenue from operations	15,014.12	14,278.42	735.70	5.15%
Other income	9,674.09	1,727.62	7,946.47	459.97%
Total Income	**24,688.21**	**16,006.04**	**8,682.17**	
Expenses				
Warehousing, transportation and handling costs	1,775.45	1,419.74	355.71	25.05%
Employee benefits expense	1,996.63	1,380.51	616.12	44.63%
Finance costs	16,217.40	23,193.87	(6,976.47)	-30.08%
Depreciation and amortization expense	7,181.47	7,297.95	(116.48)	-1.60%
Other expenses	3,356.37	3,026.59	329.78	10.90%
Total Expenses	**30,527.32**	**36,318.66**	**(5,791.34)**	
Profit/(loss) before exceptional items and tax	**(5,839.11)**	**(20,312.62)**	**14,473.51**	**-71.25%**
Exceptional Items (net)	48,988.99	-	48,988.99	100.00%
Profit/(loss) before tax	**43,149.88**	**(20,312.62)**	**63,462.50**	**-312.43%**
Tax expense	28.82	8.64	20.18	**233.56%**
Profit/(loss) for the year from Continuing Operations	**43,121.06**	**(20,321.26)**	**63,442.32**	**-312.20%**
Profit/(loss) for the year from Discontinuing Operations	(730.29)	(224.44)	(505.85)	**225.38%**
Net Profit/(loss) for the year	**42,390.77**	**(20,545.70)**	**62,936.47**	**-306.32%**

NOTE:

The Consolidated financial statements for the period from 1st April, 2019 to 31st March 2021 have been restated pursuant the Scheme of Arrangement (Scheme) approved by National Company Law Tribunal, Mumbai Bench (NCLT) vide it's order dated 21st January, 2022. The Scheme became effective from 2nd February, 2022 with the Appointed date of the scheme is 1st April, 2019.

Remarks for major variances:

1. Other income is increased due to gain on sale of investment in a subsidiary.
2. Employee benefits expenses increased due to increase in manpower.
3. Finance cost lower due to impact of settlement of debts in current year.
4. The exceptional items during the year ended 31st March 2022 represent settlement of debts (net).

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

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

S. No.	Particulars	Standalone			Consolidated		
		Mar-22	Mar-21	Variation	Mar-22	Mar-21	Variation
1	Debtors Turnover Ratio (Days)	1,125.26	1,308.52	-14.01%	80.02	53.87	48.55%
2	Inventories Turnover Ratio	-	-	-	-	-	-
3	Interest Coverage Ratio	5.86	0.27	2064.31%	0.72	0.14	428.06%
4	Current Ratio	0.88	0.73	19.62%	0.29	0.31	-6.86%
5	Debt Equity Ratio	0.78	2.41	-67.44%	4.10	-15.15	-127.07%
6	Net Debt/EBIDTA	27.59	23.28	18.52%	16.24	20.63	-21.28%
7	Operating Profit Margin	28.63%	62.59%	-33.96%	88.17%	90.06%	-1.88%
8	Net Profit Margin	648.39%	-163.68%	812.07%	282.34%	-143.89%	426.23%

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

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

HUMAN RESOURCE DEVELOPMENT:

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

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

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

FORWARD-LOOKING AND CAUTIONARY STATEMENTS:

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. Arshiya not only adheres to the prescribed Corporate Governance practices as per the Listing Regulations but is also committed to sound Corporate Governance principles and practices. Our corporate governance reflects our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we always gain and retain the trust of our stakeholders.

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

2. THE GOVERNANCE STRUCTURE:

a) The Board of Directors:

The primary role of the Board is to protect the interest and enhance value for all the stakeholders. They conduct overall strategic supervision and control by setting the goals & targets, policies, governance standards, reporting mechanism, accountability and decision-making process to be followed.

b) Committees of Directors:

Committees of Directors such as Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Committee of Directors are focused on financial reporting, audit & internal controls, monitor and review risk management Policy and plans, compliance issues, appointment and remuneration of Directors and Senior Management Employees.

c) Executive Management:

The Executive Directors are responsible for achieving the Company's vision and mission, business strategies, project execution, significant policy decisions and all the critical issues having significant business & financial implications. They are also responsible for the overall performance and growth of the Company and to ensure implementation of the decisions of the Board of Directors and its various Committees.

3. BOARD OF DIRECTORS:

a) Composition of Board:

The Company has a balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders' interest. The Non-executive Directors Independent Directors on the Board are experienced, competent and highly renowned persons from their respective fields of expertise. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play pivotal role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

The composition of the Board as on 31st March, 2022 is in conformity with the provisions of the Companies Act, 2013 and Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"). The total Board strength comprises of the following:

Category of Directors	**Number of Directors**
1. Executive	2
2. Non-Executive Independent	3
TOTAL	**5**

Except Mr. Ajay S. Mittal who is husband of Mrs. Archana A Mittal, no other Director is related directly or indirectly to any other Directors of the Company. As required under Regulation 36 of SEBI Regulations, particulars of Director seeking appointment/re-appointment have been annexed to the Notice of Annual General Meeting.

As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013. The Independent Directors of the Company are in compliance with the provisions of Regulation 16(1)(b) of the Listing Regulations. In opinion of Board, the Independent Directors fulfil the conditions specified in Listing Regulations and are independent of the management. None of the Independent Directors has any pecuniary relationship, transaction, or association with the Company, which adversely affect their independence.

DETAILS OF RESIGNATION OF INDEPENDENT DIRECTOR IF RESIGNED BEFORE THE TERM:

On 1st November 2021, Mrs. Manjari Kacker has resigned as an Independent Director before expiry of her term due to pre-occupancy.

b) Board Meetings and Annual General Meeting:

Seven meetings of Board of Directors were held during the financial year. These were held on 9th June, 2021, 30th June, 2021, 13th August, 2021, 13th November, 2021, 14th February, 2022, 21st February, 2022 and 7th March, 2022. The previous Annual General Meeting of the Company was held on 27th September, 2021 through Video Conferencing. Attendance of Directors at the Board Meetings, last Annual General Meeting and number of other Directorships and Chairmanships/Memberships in committees of each Director in various Companies as on 31st March 2022 are as under:

Name of the Directors	Category	Attendance		No. of Directorship in other Indian Companies	No. of Membership(s) /Chairmanship(s) of Board/ Committees in other Companies
		Board	AGM		
Mr. Ajay S Mittal	Chairman & Managing Director (Promoter Group)	7	Yes	6	2 (Membership)
Mrs. Archana A Mittal	Joint. Managing Director (Promoter Group)	7	Yes	1	NIL
Mr. Ashishkumar Bairagra	Independent Director	7	Yes	7	4 (includes 3 Chairmanship)
Mr. Rishabh Shah	Independent Director	6	Yes	5	4 (includes 1 Chairmanship)
Mrs. Manjari Ashok Kacker*	Independent Director	3	Yes	3	4 (includes 2 Chairmanship)
Mr. Ved Prakash	Independent Director	5	Yes	NIL	NIL

*Mrs. Manjari Ashok Kacker resigned w.e.f 1st November, 2021

Notes:

1. None of the Independent Director serves as an Independent Director in more than seven listed companies;
2. Committees of Directors include Audit Committee and Stakeholders Relationship Committee of Indian public (Listed & Unlisted) companies only;

c) Listed entities, where the directors of your Company are Directors as on March 31, 2022, and their category therein is as under:

Sr. No	Name of the Director	Name of Other Listed Companies where the Directors hold Directorship	Category
1.	Mr. Ajay S Mittal	Mega Fin (India) Limited	Non-Executive – Non-Independent Director
2.	Mrs. Archana A Mittal	NIL	NA
3.	Mr. Ashishkumar Bairagra	NIL	NA
4.	Mr. Rishabh Shah	Kesar Enterprises Limited	Non-Executive –Independent Director
5.	Mr. Ved Prakash	NIL	NA

*Mrs. Manjari Ashok Kacker resigned w.e.f 1st November, 2021

d) Details pertaining to Non-Executive Director's Shareholding in the Company as on 31st March, 2022 and sitting fees paid during financial year 2021-22 are as under:

Name of Non-executive Director	Equity Shares held (Number)	Sitting Fees paid (in `)
Mr. Ashishkumar Bairagra	NIL	1,15,000/-
Mr. Rishabh Shah	NIL	95,000/-
Mrs. Manjari Ashok Kacker*	NIL	40,000/-
Mr. Ved Prakash	NIL	1,00,000/-

*Resigned w.e.f 1st November, 2021

The sitting fees is paid for attending Board Meetings and Audit Committee Meetings only.

The Company has not issued any convertible securities.

e) Familiarization Programme:

The Company has also conducted familiarisation programme for the Independent Directors of the Company for the F.Y 2021-22, the web link for the same is http://www.arshiyalimited.com/arshiya/assets/pdf/Familarisation%20programmes%20for%20ID.pdf

f) Chart / Matrix of Skills / Expertise / Competence of the Board of Directors in context to Company's business and sector:

The Company recognizes the importance of having a Board comprising of Directors who have range of experiences, capabilities and diverse points of view. This helps in creating an effective and well-balanced Board. The capabilities and experiences sought in the Board of Directors of the Company are outlined as below:

Skills/Expertise/Competence
Strategy & Business: Is or has been the leadership positions held in an organization leading to significant experience in strategy or business management. Brings the ability to identify and assess strategic opportunities and threats in the context of the business.
Business Acumen: Experience in general corporate and business management, developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation.
Governance, Finance & Risk: Having essential governance knowledge and understanding for maintaining high ethical standards taking into account the interests of all stakeholders. Has an understanding of the law and application of corporate governance principles in a commercial enterprise of similar scale. Capability to provide inputs for strategic financial planning, assess financial statements and oversee budgets for the efficient use of resources. Ability to identify key risks for the business in a wide range of areas including legal and regulatory.

Financial Acumen: Experience in accounting, taxation, financial management; Oversight of Risk Management, Banking, treasury fund raising, private equity venture capital investments and internal controls.
Industry and sector experience or knowledge: Oversight and knowledge of logistics/similar industries in which the Company operates; Broad perspective on global markets and opportunities
Leadership and Board experience: Board experience, past or present, in other companies; Innate leadership skills including the ability to appropriately represent the Company, set appropriate Board and organisation culture and make and take responsibility for decisions and actions.
Strategic Thinking: Experience in developing and implementing strategies in context with the policies and business objectives, whilst also bearing in mind the shareholders' best interests.
Market Expertise: Has expertise with respect to the geography the organization operates in. Understands the macro-economic environment, the nuances of the business, consumers and trade in the geography and has the knowledge of the regulations & legislations of the market/(s) the business operates in.
Diversity of Perspective: Provides a diversity of views to the board that is valuable to manage the customer, employee, key stakeholder or shareholders.

Sr. No	Particulars	Name of the Directors					
		Ajay S Mittal	Archana A Mittal	Ashishkumar Bairagra	Rishabh Shah	Manjari Ashok Kacker*	Ved Prakash
1.	Strategy & Business	√	√	√	√	√	√
2.	Business Acumen	√	√	√	√	√	√
3.	Corporate governance expertise	√	X	√	√	√	X
4.	Financial Acumen	√	X	√	√	√	√
5.	Industry and sector experience or Knowledge	√	√	√	√	X	X
6.	Leadership and Board experience	√	√	√	√	√	√
7.	Strategic Thinking	√	√	√	√	√	√
8.	Market Expertise	√	√	√	√	X	√
9.	Diversity of Perspective	√	√	√	√	√	√

*Resigned w.e.f 1st November, 2021

4. COMMITTEES OF THE BOARD:

a) Audit Committee:

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are combination of Executive and Non-Executive Independent Directors. They possess sound knowledge of accounts, audit, finance, taxation, internal controls etc. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process of the Company.

All the members of the Audit Committee are financially literate and Mr. Ashishkumar Bairagra Chartered Accountants and Mr. Rishabh Shah, LLB have the requisite financial expertise.

Mr. Dinesh Sodani, Chief Financial Officer and Mr. Navnit Choudhary, VP Commercials of the Company are the permanent invitees to the Audit Committee. The Company Secretary acts as the Secretary to the Committee. The Statutory Auditors, the Internal Auditors and Executives of the Company are also invited to the Audit Committee Meetings, whenever required. The Quorum for the Audit Committee meeting is two Members.

i. Composition, meetings, and attendance:

Five meetings of the Audit Committee were held during the financial year. These were held on 9th June, 2021, 30th June, 2021, 13th August, 2021, 13th November, 2021 and 14th February, 2022. The attendance of each committee member was as under:

Sr. No	Name of the Member	Designation	Category	No. of Meetings Held/ attended
1.	Mr. Ashishkumar Bairagra	Chairman	Non-Executive Independent Director	5/5
2.	Mr. Rishabh Shah	Member	Non-Executive Independent Director	5/5
3.	Mr. Ajay S Mittal	Member	Executive Director	5/5

ii. Terms of reference:

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Regulations read with Section 177 of the Companies Act, 2013 and amendments made thereto. The terms of reference of the Audit Committee inter alia include following:

Powers of Audit Committee:		
1.	To investigate any activity within its terms of reference.	
2.	To seek information from any employee	
3.	To obtain outside legal or other professional advice	
4.	To secure attendance of outsiders with relevant expertise, if it considers necessary.	
Role of Audit Committee:		
1.	Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.	
2.	Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and the fixation of audit fees.	
3.	Approval of payment to statutory auditors for any other services rendered by them.	
4.	Reviewing, with the management, the quarterly/annual financial statements before submission to the Board for approval, with particular reference to:	
	a.	Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 (5) of the Companies Act, 2013;
	b.	Changes, if any, in accounting policies and practices and reasons for the same.
	c.	Major accounting entries involving estimates based on the exercise of judgment by management.
	d.	Significant adjustments made in the financial statements arising out of audit findings.
	e.	Compliance with listing and other legal requirements relating to financial statements.
	f.	Disclosure of any related party transactions.
	g.	Qualifications in the draft audit report.
	h.	Compliance with accounting standards and changes in accounting policies and practices as well as reasons thereof;
	i.	Draft Audit Report, modified opinion if any and significant adjustments arising out of audit;
	j.	Statement of significant related party transactions (as defined by the Committee), submitted by the management;
	k.	Compliance with listing and other legal requirements concerning financial statements;

5.	Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6.	Reviewing, with the management, the statement of uses / application of funds as and when raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7.	Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8.	Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9.	Discussion with internal auditors on any significant findings and follow up thereon.
10.	Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11.	Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12.	To look into the reasons for substantial defaults if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13.	To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14.	Approval or any subsequent modification of transactions of the listed entity with related parties;
15.	Scrutiny of inter-corporate loans and investments;
16.	Valuation of undertakings or assets of the listed entity, wherever it is necessary;
17.	Evaluation of internal financial controls and risk management systems;
18.	Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
19.	Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
20.	Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
21.	Carrying out any other function as is assigned to the Audit Committee.
22.	Such other powers and duties as may be required to be included in terms of Listing Regulations amended from time to time.
Review of information by Audit Committee	
1.	Management discussion and analysis of financial condition and results of operations;
2.	Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3.	Management letters/letters of internal control weaknesses issued by the statutory auditors;
4.	Internal audit reports relating to internal control weaknesses;
5.	The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
6.	Statement of deviations:
	a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
	b. Annual statement of funds utilized for purpose other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

b) Nomination and Remuneration Committee:

i. Composition, meetings, and attendance:

Three meetings of the Nomination & Remuneration Committee were held during the financial year. These were held on 30th June, 2021, 13th August, 2021 and 13th November, 2021. The attendance of each committee member was as under:

Sr. No	Name of the Member	Designation	Category	No. of Meetings Held/ attended
1.	Mr. Ashishkumar Bairagra	Chairman	Non-Executive Independent Director	3/3
2.	Mr. Rishabh Shah	Member	Non-Executive Independent Director	3/3
3.	Mr. Ajay S Mittal	Member	Executive Director	3/3

ii. Terms of reference:

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

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

iii. Performance Evaluation Criteria for Independent Directors:

The Board of Directors has formulated performance evaluation criteria of Independent Directors of the Company. The Performance Evaluation of Independent Directors is carried out on the basis of performance evaluation criteria including their role and responsibilities, expertise, skills, leadership qualities, understanding of business, strategic direction to align company's value and standards, effective decision making ability, Initiative on knowledge updates and internal controls. Additionally, Independent Directors were also evaluated for their Independent views and judgment. The Evaluation process was based on the affirmation received from the Independent Directors that they met the independence criteria and are independent of the Management, as specified in the Listing Regulations.

iv. Remuneration Policy:

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

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

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

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

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

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

Details of Remuneration paid to the Managing Director(s) and the Whole-Time Director for the Financial Year ended 31st March, 2022 are as under:

There is no remuneration paid to the Managing Director of the company during the financial year ended 31st March 2022.

c) Stakeholder Relationship Committee:

In order to provide quality and efficient services to the investors and to align & streamline the process of share transfer/ transmission, Committee is responsible for transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

i. Composition, meetings, and attendance:

One meetings of the Stakeholders Relationship Committee were held during the financial year. The meeting was held on 7th March, 2022. The attendance of each committee member was as under:

Sr. No	Name of the Member	Designation	Category	No. of Meetings Held/ attended
1.	Mr. Rishabh Shah	Chairman	Non-Executive Independent Director	1/1
2.	Mr. Ashishkumar Bairagra	Member	Non-Executive Independent Director	1/1
3.	Mr. Ajay S Mittal	Member	Executive Director	1/1

The Committee is headed by Mr. Rishabh Shah, Independent Director and Mrs. Ratika Gandhi; Company Secretary is the Compliance officer of the Company who oversees the redressal of investor grievances. The Company has designated the Email Id of the Compliance Officer/authorised signatory: teamsecretarial@arshiyalimited.com for investor relation, and the same is prominently displayed on the Company's website.

ii. Terms of reference:

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

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

iii. Status of Complaints / Grievances during the period:

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year are as under:

Received from	Pending as on 01.04.2021	Received during 2021-22	Redressed during 2021-22	Pending as on 31.03.2022
Direct from investors	NIL	NIL	NIL	NIL
NSE	NIL	NIL	NIL	NIL
BSE	NIL	NIL	NIL	NIL
SEBI	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL

iv. SEBI Complaints Redressal System (SCORES):

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

d) Committee of Directors:

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

i. Terms of Reference of the Committee:

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

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

The Committee of Directors comprises of two Non-Executive Independent Directors and one Executive Director as on 31st March, 2022. During the year under review 7(seven) meetings were held of Committee of Directors on 7th April, 2021, 6th May, 2021, 17th June, 2021, 27th September, 2021, 7th December, 2021, 2nd March, 2022 and 3rd March, 2022.

Sr. No	Name of the Member	Designation	Category	No. of Meetings Held/ attended
1.	Mr. Ajay S Mittal	Chairman	Executive Director	7/7
2.	Mr. Ashishkumar Bairagra	Member	Non-Executive Independent Director	7/7
3.	Mr. Rishabh Shah	Member	Non-Executive Independent Director	7/7

e) Corporate Social Responsibility Committee:

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

i. Terms of Reference of the Committee:

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

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

The Corporate Social Responsibility (CSR) Committee comprises of two Executive Directors and one Non-Executive Independent Director as on 31st March, 2022.

Sr. No	Name of the Member	Designation	Category	No. of Meetings Held/ attended
1.	Mrs. Archana A Mittal	Chairperson	Executive Director	-
2.	Mr. Rishabh Shah	Member	Non-Executive Independent Director	-
3.	Mr. Ajay S Mittal	Member	Executive Director	-

f) Risk Management Committee:

The Risk Management Committee has been formed by the Board to promote better risk management with emphasis on the importance of improving the way risk is managed. Risk management is a key aspect of the "Corporate Governance Principles and Code of Conduct", which aims to improve governance practices across the spectrum of business activities. Pursuant to provisions of Companies Act, 2013 read with Regulation 21 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any amendments thereto), top 1000 listed companies based on market capitalization as at the end of previous financial year, shall constitute Risk Management Committee and to lay down Risk Management Policy and procedures about risk management and its minimization.

Risk Management Committee is formed for identifying, analysing, evaluating, treating and monitoring risks in a way that will enable the organization to meet its objectives and minimize threats and maximize opportunities. The Risk Management Committee was constituted on 30th June, 2021.

i. **Terms of Reference of the Committee:**

1.	To formulate a detailed risk management policy which shall include: (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee. (b) Measures for risk mitigation including systems and processes for internal control of identified risks. Business continuity plan.
2.	To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3.	To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4.	To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5.	To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6.	The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

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

The Risk Management Committee comprises of one Executive Directors and three Non-Executive Independent Director as on 31st March, 2022. During the year under review 2 (two) meetings of RMC was held on 14th February 2022 and 7th March, 2022. The attendance of each committee member was as under:

Sr. No	Name of the Member	Designation	Category	No. of Meetings Held/ attended
1.	Mr. Ajay Mittal	Chairman	Executive Director	2/2
2.	Mr. Ved Prakash	Member	Non-Executive Independent Director	2/2
3.	Mrs. Manjari Kacker*	Member	Non-Executive Independent Director	0/0
4.	Mr. Ashishkumar Bairagra	Member	Non-Executive Independent Director	2/2
5.	Mr. Rishabh Shah	Member	Non-Executive Independent Director	2/2

*Resigned w.e.f 1st November 2021

** RMC was reconstituted on 13th November 2021.

g) Meeting of Independent Directors:

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

The Independent Directors held a Meeting on 7th March, 2022 without the attendance of Non-Independent Directors and Member of Management. Mr. Ashishkumar Bairagra; Mr. Rishabh Shah and Mr. Ved Prakash were present at the meeting of Independent Directors.

5. SUBSIDIARY COMPANIES:

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

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

6. GENERAL BODY MEETING:

I. Annual General Meeting:

Details of previous General Meeting are as follows:

Financial Year	Date	Venue	Time
2021-22	27th September, 2021	The Deemed Venue for the AGM was the registered office of the Company. The Company conducted AGM through VC/OAVM facility.	11.30 A. M
2020-21	25th September, 2020	The Deemed Venue for the AGM was the registered office of the Company. The Company conducted AGM through VC/OAVM facility.	11.30 A. M
2019-20	Court Convened Meeting – 13th January, 2020	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai – 400 018	03.00 P.M
2019-20	30th September, 2019	Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai – 400 018	03.00 P.M

II. **Special Resolutions passed at the previous three Annual General Meeting are as follows:**

Meetings held on	Special Resolution passed
27th September, 2021	No special resolution was passed at the Annual General Meeting held on 27th September, 2021
25th September, 2020	No special resolution was passed at the Annual General Meeting held on 25th September, 2020
Court Convened Meeting – 13th January, 2020	To approve the Composite Scheme of Arrangement between Arshiya Limited ("Demerged Company") and Arshiya Rail Infrastructure Limited ('Resulting Company") and their respective shareholders and creditors (the "Scheme").
30th September, 2019	• To re-appoint Mr. Ashishkumar Bairagra (DIN 00049591) as an Independent Director. • To re-appoint Mr. Rishabh Shah (DIN 00694160) as an Independent Director. • To approve and adopt Arshiya Limited Employee Stock Option Scheme 2019. • To approve grant of Stock Options to the Employees/Directors of Holding, and/or Subsidiary Company (ies) (Present & Future) under the ESOP Scheme 2019. • Approval for sale of the Company's undertaking in Arshiya Rail Infrastructure Limited (ARIL), a wholly owned material subsidiary of the Company. • Approval for sale of the Company's undertaking in Arshiya Industrial & Distribution Hub Limited (AIDHL), a wholly owned material subsidiary of the Company. • Issue of equity shares on preferential basis.

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

7. DISCLOSURES:

a) Related Party Transactions:

During the year under review, apart from the transactions reported in Notes to accounts, there were no related party transactions with the Promoters, Directors, Management, Subsidiaries and other Related Parties. None of the contracts/ transactions with Related Parties had a potential conflict with the interest of the Company at large. The interest of Director, if any, in the transactions are disclosed at Board Meetings and the interested Director does not participate in the discussion or vote on such transactions. Details of transactions with related parties are placed before the Audit Committee on a quarterly basis. All transactions entered into between the Company and Related Parties were in the ordinary course of business and at arm's length. The policy framed by the Company on dealing with Related Party Transactions is posted on the Company's website at www.arshiyalimited.com

b) Compliances by the Company:

The Company has complied with the requirements of the Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years and no penalties, strictures have been imposed against it by such authorities during the said period.

c) Whistle Blower Policy and Access of personnel to the Audit Committee:

The Company has set up a Vigil mechanism by way of a Whistle Blower Policy as required under Section 177(9) of the Companies Act, 2013. The Company's personnel have access to the Chairman of the Audit Committee in exceptional circumstances. No person of the Company has either approached the Audit Committee or been denied access to the Audit Committee.

d) Discretionary Requirements under Regulation 27 of Listing Regulation:

The Company has complied with all applicable mandatory requirements of SEBI Regulations. The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations is provided below:

Shareholders' Rights: As the quarterly and half yearly financial results along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

Modified Opinion in Auditors Report: The Company's financial statements for the year 2021-2022 contain modified opinion which is self-explanatory.

Separate posts of Chairman and Managing Director: The position of Chairman and Managing Director is the same.

Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

e) Web-site:

The Company's Web-site www.arshiyalimited.com contains a special dedicated section 'Investor Relations' where the information pertaining to the Financial Results, Shareholding Pattern, Press Releases, Corporate Governance, Annual Reports, Listing Information, etc. is available and can be downloaded.

f) Code of Conduct:

The Company has laid down a Code of Conduct for the Members of the Board and the Senior Management in accordance with the Regulation 17(5) of SEBI Listing Regulations and amendments thereto. All the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct as on 31st March, 2022 and a declaration to that effect signed by the Managing Director is enclosed and forms a part of this Report. The code of conduct has been hosted on the website of the Company at www.arshiyalimited.com

g) Risk management policy:

The Company has laid down procedures for risk assessment and its minimization. These are reviewed by the Risk Management Committee to ensure that the management manages the risk through a properly defined framework.

h) Statutory Compliance, Penalties and Structures:

The Company has complied with the requirements of the Stock Exchanges / SEBI / and Statutory Authority on all matters related to capital markets during the last three years. However, pursuant to the email/notice received from NSE & BSE wherein it has been observed that the Company has not complied/delayed compliance(s) under regulation 17 of the SEBI (LODR) for the quarter ended 31st March 2022 and accordingly penalties were levied on the company pursuant to the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12.

i) CEO/CFO Certification:

A Certificate signed by Mr. Ajay S. Mittal, Managing Director and Mr. Dinesh Sodani, Chief Financial Officer was placed before the Board of Directors at its meeting held on 30th May 2022 in compliance with Regulation 17(8) of SEBI Regulations.

j) Policy to Prevent Sexual Harassment at the work place:

The Company is committed to create and maintain an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by law and by the Company. To redress complaints of sexual harassment if any, the Company has formed a Complaints Committee. During the year under review, no complaints were filed and disposed off and no complaints were pending as on the end of the financial year in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

k) Compliance on Corporate Governance:

The Company has complied with Corporate Governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except regulation 17.

l) Web-link to Company Policies:

(i) The Policy for determining material subsidiaries may be accessed on the Company's website at the below link:

http://www.arshiyalimited.com/arshiya/assets/pdf/Policy%20for%20determination%20of%20materility%20of%20events%20or%20information.pdf

(ii) The Policy on dealing with Related Party Transactions may be accessed on the Company's website at the below link:

http://www.arshiyalimited.com/arshiya/assets/pdf/Related%20Party%20Transaction%20Policy.pdf

m) Disclosure of Demat Suspense Account / Unclaimed Suspense Account and Undelivered Share Certificates as per Schedule V of the Listing Regulations:

The Company does not have any demat Suspense Account/ Unclaimed Suspense Account. The Company does not hold any undelivered share certificates.

n) Since the Company is not engaged in the field of manufacturing goods, disclosures on commodity price risks or Foreign Exchange risk and commodity hedging activities are not applicable.

o) Abid & Co, Practicing Company Secretaries, have issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the board of Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority is provided in **Annexure I.**

p) During FY2021-22 there were no instances where the Board had not accepted any recommendation of any committees of the Board.

q) The total fees for FY 2021-22 for all services availed by the Company and its subsidiaries, on a consolidated basis, from the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part is as under:

Type of Service	**₹ In Lakhs**
Audit fees	61.75
Other services/certifications	15.00
Reimbursement of expenses	-
Total	**76.75**

r) No funds were raised by the Company through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year under report.

8. **MEANS OF COMMUNICATION:**

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

The Management Discussion and Analysis Report forms part of this Annual Report.

Quarterly Result:

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

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

9. **GENERAL SHAREHOLDERS' INFORMATION:**

a) Annual General Meeting:

Date, Time and Venue of Annual General Meeting (AGM)	**Date** 27th September, 2022 **Time:** 03.00 PM **Venue:** Through Video Conference. For details, please refer to Notice of this AGM.
Financial Year	1st April, 2021 to 31st March, 2022
Date of Book Closure	As mentioned in the Notice of AGM

b) Financial reporting for the quarter/year ending (tentative and subject to change)

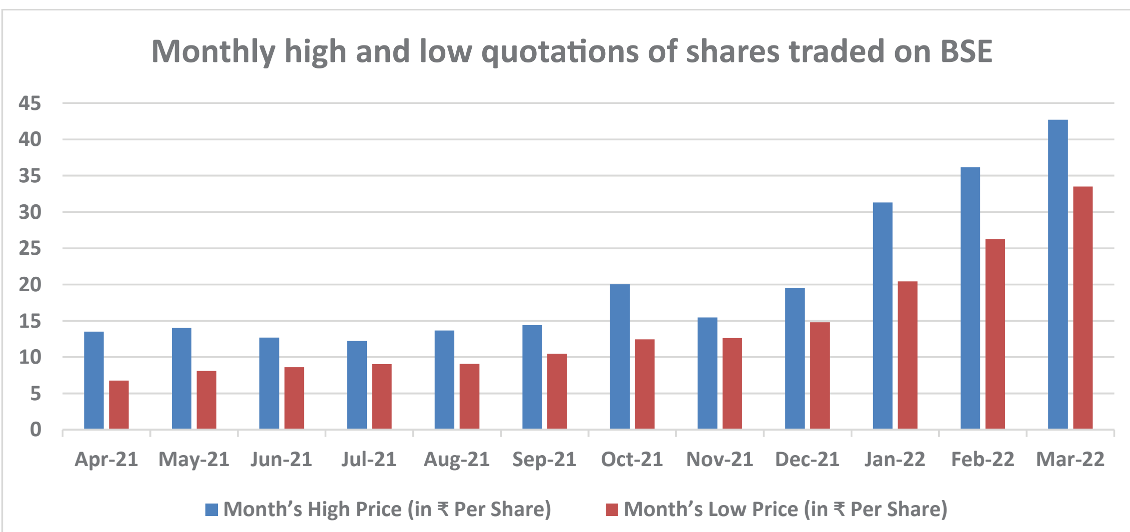
For the Quarter ended	**Tentative date**
June 30, 2022	By August 14, 2022
September 30, 2022	By November 14, 2022
December 31, 2022	By February 14, 2023
March 31, 2023	By May 30, 2023

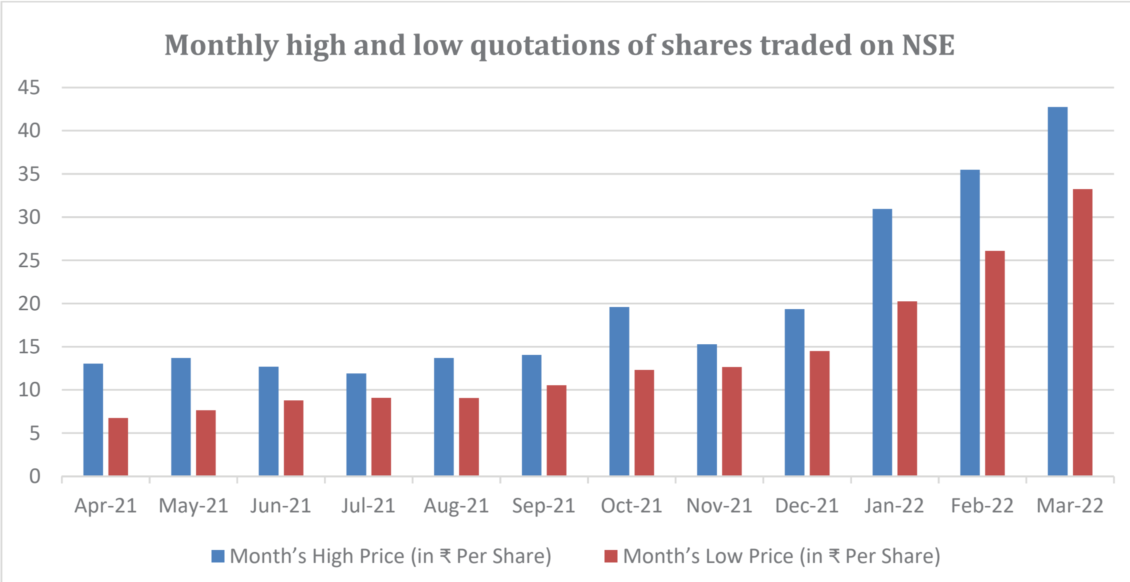
Registered Office:	205, Level 2, Ceejay House, Shiv Sagar Estate, F Block, Dr. Annie Besant Road, Worli, Mumbai–400018. CIN: L93000MH1981PLC024747 Website: www.arshiyalimited.com E-mail: teamsecretarial@arshiyalimited.com Tel : +91 42335500
Listing on Stock Exchanges:	**National Stock Exchange of India Limited** (NSE) Exchange Plaza, 5th Floor, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 **BSE Limited** (BSE) Phiroze Jeejebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 The Company has paid Annual Listing fees for the year 2021-2022 to both the Stock Exchanges and the Company has paid annual custodian fees to each of the depositories based on the number of folios as on March 31, 2022.
Stock Code:	**NSE:** ARSHIYA **BSE:** 506074
ISIN of Company' Equity Shares:	INE968D01022
CIN:	L93000MH1981PLC024747
Suspension of trading in securities	There was no suspension of trading in securities of the Company during the year under review.

c) Stock Market price data:

Monthly high and low prices of the Company's Equity Shares and performance in comparison to BSE Sensex and NSE Nifty from April 2021 to March 2022 are noted herein below:

Month	Arshiya on BSE		SENSEX		Arshiya on NSE		S & P CNX Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr-21	34.90	25.40	50375.77	47204.50	34.65	25.15	14855.45	14601.70
May-21	33.20	27.60	52013.22	48028.07	33.15	27.45	15606.35	15374.00
Jun-21	37.80	27.00	53126.73	51450.58	37.90	27.15	15839.10	15708.75
Jul-21	35.80	28.40	53290.81	51802.73	35.90	28.60	15862.80	15744.85
Aug-21	30.45	25.00	57625.26	52804.08	30.80	25.20	17153.50	16915.85
Sep-21	31.25	26.05	60412.32	57263.90	31.30	26.10	17742.15	17585.35
Oct-21	44.45	27.30	62245.43	58551.14	44.65	26.90	17915.85	17613.10
Nov-21	33.05	27.15	61036.56	56382.93	33.45	27.30	17324.65	16931.40
Dec-21	41.00	27.65	59203.37	55132.68	41.30	28.30	17400.80	17238.50
Jan-22	41.00	32.20	61475.15	56409.63	41.30	32.60	17410.00	17264.15
Feb-22	47.40	33.95	59618.51	54383.20	47.30	33.60	16815.90	16356.30
Mar-22	40.70	27.85	58890.92	52260.82	40.35	27.65	17559.80	17435.20





d) Registrar & Share Transfer Agent:

For both Physical and Demat (Common Registry)
Bigshare Services Private Ltd
S6 – 2 Pinnacle Business Park, Mahakali Caves Road,
Next to Ahura Centre, Andheri (E) , Mumbai 400093
E-mail: info@bigshareonline.com

e) Share Transfer System:

As per SEBI notification effective April 1, 2019 except in case of transmission/ transposition of shares, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. For transmission/ transposition of shares held in physical form, all requisite documents should be sent to the Registrar and Transfer agent of the Company, which will be generally approved within 15 days from the date of receipt subject to all documents being in order.

For shares held in dematerialised form, kindly contact your depository participant with whom your demat account is held. Shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are in order. The Stakeholder Relationship Committee meets as often as required. As per the requirements of Regulation 40 of SEBI Regulations, and to expedite the process of share transfers, the Board has delegated powers of share transfer to the Stakeholders Relationship Committee.

f) Distribution of Shareholding:

Distribution of Shareholding as on 31st March, 2022 is noted below:

No. of Equity Shares held	Shareholders		Shares	
	Number	%	Number	%
1-500	12,376	89.07	42,04,518	1.60
501-1000	568	4.09	21,85,973	0.83
1001-2000	374	2.69	29,91,865	1.14
2001-3000	110	0.79	14,07,924	0.54
3001-4000	62	0.45	11,40,944	0.44
4001-5000	55	0.40	12,84,419	0.49
5001-10000	127	0.91	48,46,434	1.85
10001 and above	222	1.60	24,42,13,838	93.11
Total	**13,894**	**100.00**	**26,22,75,915**	**100.00**

g) Shareholding Pattern:

Category of Shareholder	As on 31st March, 2022	
	No. of Shares	**%**
Holding of Promoter and Promoter Group		
Individual and Hindu Undivided Family	10,25,93,715	39.12
Total (A)	**10,25,93,715**	**39.12**
Non-Promoters Holding		
Non-Nationalized Banks	27,75,000	1.06
Foreign Portfolio Investors	13,22,988	0.50
Total (B)	**40,97,988**	**1.56**
Non-Institutional Investors		
Bodies Corporate	10,56,40,764	40.28
Indian Public/others	4,82,49,316	18.39
Non-Resident Indians	16,94,132	0.65
Directors	-	-
Total (C)	**15,55,84,212**	**59.32**
Grand Total (A+B+C)	**26,22,75,915**	**100.00**

h) Dematerialization of Shares and Liquidity:

The International Securities Identification Number (ISIN) allotted to the Company is INE968D01022. The Equity Shares of the Company are compulsorily traded in dematerialized form as mandated by the Securities and Exchange Board of India (SEBI). The Company has connectivity with National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL) for Demat facility. As on 31st March, 2022, 99.80% of the total Equity Capital was held in the demat form with NSDL and CDSL.

Physical and Demat Shares as on 31st March, 2022		
Particulars	**Shares**	**%**
No. of Shares held in dematerialized form in NSDL	18,47,26,490	70.43
No. of Shares held in dematerialized form in CDSL	7,70,28,549	29.37
Physical Shares	5,20,876	0.20
Total	**26,22,75,915**	**100**

i) Reconciliation of Share Capital Audit:

In accordance with Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018 promulgated with effect from October 3, 2018 (erstwhile Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, Reconciliation of Share Capital of the Company is carried out on a quarterly basis by Jitender Singh., Practicing Company Secretaries, New Delhi, and the report thereon is submitted to the Stock Exchanges. The report interalia, confirms that the number of shares issued, listed on the Stock exchanges and that held in demat and physical mode are in agreement with each other to reconcile the total admitted capital with NSDL and CDSL and total issued and listed capital. The Audit is carried out every quarter and the report thereon are submitted to the Stock Exchanges.

j) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:

There are no GDRs/ADRs/Warrants or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

k) Plant location: The Company has below mentioned plant:

Arshiya Sites:	
FTWZ - Panvel, Maharashtra 181/3, Sai Village, Taluka Panvel, Dist Raigad, Raigad, Maharashtra – 410 206	**FTWZ - Khurja, Uttar Pradesh** Junction Road, Industrial Area, Village - Maujpur, Khurja, Distt - Bulandshahr, U.P -203 131

l) Shares held in Electronic Form:

The members holding shares in electronic mode should address their correspondence to their respective Depository Participant (DP) regarding change of address, change of bank account mandate and nomination. While opening accounts with Depository Participant (DP), the information furnished by the Shareholders pertaining to their Bank Account, will be used by the Company for payment of dividend. However, members who wish to receive dividend in a Bank Account, other than the one specified while opening account with DP, may notify such DP about change in bank account details. Members are requested to furnish complete details of their respective bank account including MICR code of their respective Bank to their DP.

m) Shares held in Physical Form:

In order to provide protection against fraudulent encashment of dividend warrants, the members are requested to provide, if not provided earlier, their Bank Account numbers, names and address of the Bank, quoting Folio numbers to the Company's Registrar and Transfer Agent to incorporate the same on the dividend warrants.

n) Address for correspondence:

Arshiya Limited

205 & 206 (Part), 2nd Floor, Ceejay House, F-Block,
Shiv Sagar Estate, Dr. Annie Besant Road, Worli,
Mumbai - 400 018.
T: +91 22 4230 5500
F: +91 22 4230 5555
Website: www.arshiyalimited.com
e-Mail: teamsecretarial@arshiyalimited.com

Bigshare Services Private Ltd

S6 – 2 Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri (E), Mumbai – 400 093
Tel.: 91-22- 62638200/ Fax: 022 – 62638299
E-mail: info@bigshareonline.com

IMPORTANT COMMUNICATION TO THE SHAREHOLDERS

Ministry of Corporate Affairs has taken a **'Green initiative in Corporate Governance'** by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. Your Company is concerned about the environment and utilizes natural resources in a sustainable way. To support this Green initiative, the Company hereby requests its members who have not registered their e-mail addresses so far, to register their e-mail addresses with the depository through their concerned depository participants in respect of electronic holdings and with the Company or its Registrar in respect of physical holding.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
Arshiya Limited
205 & 206 (Part), 2nd Floor, Ceejay House,
F-Block, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli,
Mumbai – 400 018, Maharashtra

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Arshiya Limited, having CIN: L93000MH1981PLC024747, and having its registered office at 205 & 206 (Part), 2nd Floor, Ceejay House, F-Block, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai – 400 018, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

*Resigned w.e.f 1st November, 2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 10th August 2022

For Aabid & Co
Company Secretaries

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

CODE OF CONDUCT DECLARATION

Pursuant to provision Schedule V (D) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, I, Mr. Ajay S. Mittal, Managing Director of the Company, hereby declare that all the Board members and senior management personnel of the Company have affirmed compliances with the Code of Conduct for the year ended 31st March, 2022.

Place: Mumbai
Date: 10th August 2022

Ajay S. Mittal
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Arshiya Limited ('the Company') for the year ended March 31, 2022, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations have been limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate

Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Place: Mumbai
Date: 10th August 2022

For Aabid & Co
Company Secretaries

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

BUSINESS RESPONSIBILTY REPORT

BUSINESS RESPONSIBILITY REPORT 2021-22

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

Business Responsibility Report

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN) of the Company	L93000MH1981PLC024747
2.	Name of the Company	Arshiya Limited
3.	Registered address	205 and 206 (part), 02nd Floor, Ceejay House, F-Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400 018, Maharashtra.
4.	Website	www.arshiyalimited.com
5.	E-mail id	teamsecretarial@arshiyalimited.com
6.	Financial Year reported	FY 2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	52109
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Arshiya Limited (the Company) is a unified supply chain and integrated logistics infrastructure solution provider and is engaged in the business of Free Trade and Warehousing Zone (FTWZ).
9.	Total number of locations where business activity is undertaken by the Company	
	Number of International Locations	Not Applicable
	Number of National Locations	2 (Panvel - Maharashtra, Khurja - UP)
10.	Markets served by the Company- Local/ State/National/International	The Company serves Local, State, National as well as international clients.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1.	Paid up Capital (INR)	26,22,75,915 equity shares of face value of ₹ 2 each ₹52,45,51,830/-
2.	Total Turnover (INR)	6,193.34 Lakhs
3.	Total profit after taxes (INR)	40,157.04 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Not Applicable
5.	List of activities in which expenditure in 4 above has been incurred	Not Applicable

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

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

Sr. No.	Particulars	Details
1.	Director Identification Number (DIN)	00226355
2.	Name	Mr. Ajay S Mittal
3.	Designation	Managing Director
4.	Telephone number	022-42305500
5.	e-mail id	info@arshiyalimited.com

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

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

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

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

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

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

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

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

3. **Governance related to BR**

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

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

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

The Securities and Exchange Board of India (SEBI) has mandated India's top 1,000 listed entities based on market capitalization on the BSE and NSE to submit a 'Business Responsibility Report'(BRR) along with their Annual Report. Your Company hereby presents its Business Responsibility Report for the F. Y.2021-22.

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

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

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

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

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

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

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

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

Our sustainability strategy strives to make:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Please indicate the Total number of employees. - 69

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. 272

3. Please indicate the Number of permanent women employees. - 5

4. Please indicate the Number of permanent employees with disabilities - 0

5. Do you have an employee association that is recognized by management? - No

6. What percentage of your permanent employees is members of this recognized employee association? - NA

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

   i. Permanent Employees – 67.39%

   ii. Permanent Women Employees – 7.25%

   iii. Casual/Temporary/Contractual Employees – 56.07%

   iv. Employees with Disabilities – 4.35%

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

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

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

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

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

   Yes. Our community engagement interventions include:

   - Organization-led projects
   - Employee-driven initiatives

Principle 5: Businesses should respect and promote human rights.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   Not Applicable

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

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

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

   Yes

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

   None.

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

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

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

   a) Export Promotion Council for EOUs & SEZs (EPCES)

   b) Federation of Indian Export Organizations (FIEO).

   c) Indo German Chambers of commerce

   d) Indo American Chambers of commerce

   e) India China Chambers of Commerce & Industry

   f) Indo Japan Chamber of commerce

   g) Confederation of Indian Industry- CII

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

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

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

   The Company manages everything in-house.

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

   The Company is in process of doing the same.

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

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

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

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

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

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

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

   N.A. as the Company belongs to service industry

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

   No

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

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

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of Arshiya Limited

Report on the Audit of Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Financial Statements of **Arshiya Limited ('the Company')**, which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (herein after referred to as "the Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the financial position of the Company as at 31st March 2022, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

(i) *We draw attention to the Note no.43.1 of the financial statements, during the year ended 31st March 2022, the Company received settlement of debt letter from Edelweiss Assets Reconstruction Company Limited ("EARC"). The settlement of debts would have become effective upon due completion of all conditions precedent to the satisfaction of EARC as mentioned in the settlement letter which were only partially achieved. However, the Company has given accounting effects of settlement letter in the standalone financial statements for the year ended 31st March 2022. Had the accounting effects of settlement letter not considered in the books of accounts of the Company, borrowing, finance cost, exceptional items, net profit/(loss) for the year, other equity and EPS for the year ended 31st March 2022 would have been ₹ 814,10.59 Lakh, ₹ 186,58.05 Lakh, ₹ 5,45.70 Lakh, ₹ (165,52.82) Lakh, ₹ 257,45.22 Lakh, ₹ (6.31) respectively, as against the reported figure of ₹ 598,43.54 Lakh, ₹ 86,46.77 Lakh, ₹ 472,44.27 Lakh, ₹ 401,57.04 Lakh, ₹ 859,55.28 Lakh, ₹ 15.31 respectively.*

(ii) *We draw attention to the Note no.73 of the financial statements, during the course of preparation of standalone financial statements for the year ended 31st March 2022, e-mails have been sent to lenders by the Company with a request to confirm their balances directly to us. As at 31st March 2022, direct balance confirmations of total borrowings including interest accrued (including current maturities and current borrowings), aggregating to ₹ 651,89.29 Lakh have not been received. We are unable to obtain sufficient appropriate audit evidence about these borrowings (including interest) outstanding as at 31st March 2022. Consequently, we are unable to determine whether any adjustment to these amounts are necessary and consequential impacts on the standalone financial statements of the Company.*

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

Material uncertainty related to going concern

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

Emphasis of Matters

(i) We draw attention to Note no. 49 of the financial statements, regarding accounting of the scheme from the appointed date being 1st April 2019 as approved by the National Company Law Tribunal, though the Scheme has become effective on 2nd February, 2022 and restatement of comparatives for the previous years by the management of the Company.

(ii) We draw attention to Note no. 49.1 of the financial statements, one of the lenders of the Company, had preferred an appeal in "Hon'able National Company Law Appellate Tribunal", ("NCLAT"), against the order of Hon'able National Company Law Tribunal, Mumbai sanctioning the Scheme of Arrangement between the Company and Arshiya Rail Infrastructure Limited. NCLAT ordered to maintain the status quo prevailing as on that date, vide it's order dated 4th March 2022. According to the legal opinion obtained by the Company and in view of the Management, it can prepare the financial statements of the Company as per sanctioned scheme of arrangement.

(iii) We draw attention to the Note no. 48 of the financial statements, regarding invocation of corporate guarantee by the Company to lenders of Arshiya Northern FTWZ Limited (ANFTWZ). The Company carried out the fair valuation of above guarantee through an independent Chartered Accountants firm and as per their report the value of assets in favor of lenders of ANFTWZ is higher than the total liabilities to them. Accordingly, no provision against the claims under the invoked corporate guarantee is considered necessary by management.

(iv) We draw attention to the Note no. 54(a) of the financial statements, regarding Company's non-current investment in Arshiya Northern FTWZ Limited (ANFTWZ) and its loans dues amounting to ₹ 453,22.25 Lakh and ₹ 147,05.56 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, 2022.

(v) We draw attention to the Note no. 41 and 42 of the financial statements, pending execution of restructuring agreement for assignment of its debt to Edelweiss Asset Reconstruction Company (EARC), the Company has continued to provide interest for year 31st March, 2022 in line with major terms negotiated with EARC in case of other agreements. In view of the management, no penal interest needs to be provided for the above said debt presently.

(vi) We draw attention to the Note no. 72 of the financial statements, regarding the balance confirmations of trade receivables and trade payables. During the course of preparation of standalone financial statements, e-mails/letters have been sent to various parties by the Company with a request to confirm their balances directly to us out of which only few parties have responded. The management is confident and is of the view that there will not be any material variation in the said balances.

(vii) We draw attention to Note no. 74 of the financial statements regarding recoverability of trade receivables amounting to ₹ 429.25 Lakh as at 31st March 2022 from one of the customer. The Management is of the view that the said amounts are considered to be good and fully recoverable as on 31st March, 2022, and accordingly, no provision is required to be made in view of the reasons stated in the aforesaid note.

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year ended 31st March 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern section, we have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matters	How Our Audit Addressed The Key Audit matter
Litigations matters and contingent liabilities	
The Company is subject to number of significant litigations. In such litigation matters certain lenders and creditors have filed winding up petitions/cases/other legal proceedings against the Company and its Directors for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. The financial implication of such claims will be disclosed and recognized as and when finality in the matter is reached. The amounts of litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment. [Refer note no. 40, 69 and 71]. Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined and it has been considered as a key audit matter.	Our audit procedures included the following • Discussion with the management on the development in theses litigations during the year ended 31st March, 2022. • Obtaining an understanding of the risk analysis performed by the Company, with the relating supporting documentation. • Verification that the accounting and /or disclosures as the case may be in the standalone financial statements is in accordance with the assessment of management. • Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.

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

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

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

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the year ended 31st March 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. Further to our comment in the Annexure A, as required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

   d. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with Ind AS prescribed under Section 133 of the Act read with relevant rules there under;

e. On the basis of the written representations received from the directors of the Company as on 31st March, 2022 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;

f. The matters described in paragraphs above under the Material Uncertainty Related to Going Concern, in our opinion, may have an adverse effect on the functioning of the Company;

g. With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

h. The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

i. In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year hence the provisions of section 197 of the Act is not applicable;

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

   i. The Company, as detailed in Note no. 40, 69 and 71 to the financial statements have disclosed the impact of pending litigations on its financial position.

   ii. The Company does not have any long term contracts including derivative contracts and hence there are no material foreseeable losses.

   iii. There has been no delay in transferring amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to the standalone financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to the standalone financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (j) (iv) (a) & (b) contain any material misstatement.

   v. The company has not declared or paid any dividend during the year.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 22109859AKSAYH1380

Place: Mumbai
Date: 30th May, 2022

<u>"Annexure A" to the Independent Auditors' Report</u>

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Limited on the standalone financial statements for the year ended 31st March 2022)

i. In respect of its property, plant and equipment and Intangible Assets :-

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment including right of use (ROU) assets on the basis of available information.

(B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.

(b) As explained to us, the Company has physically verified property, plant and equipment including right of use (ROU) assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.

(c) In our opinion and according to information and explanation given to us and on the basis of our examination of available records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company.

(d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. (a) The Company is engaged in the business and development of Free Trade and Warehousing Zone (FTWZ), the Company has inventory represented by freehold land for the business purpose. In our opinion, management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on the aforesaid verification.

(b) As per the information and explanations given to us and books of accounts and records examined by us, there is no working capital limits, from banks or financial institutions on the basis of security of current assets has been sanctioned. Therefore, clause (ii) (b) of Paragraph 3 of the Order is not applicable to the Company.

iii. With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:

(a) As per the information and explanations given to us and books of accounts and records examined by us, during the year the Company has not provided loans or not provided advances in the nature of loans, or not stood guarantee, or not provided security to any other entity except for the following:-

(₹ In Lakh)

Particulars	**Guarantees**	**Loans**
Aggregate amount granted / provided during the year		
- Subsidiaries	1,39,03.56	41,80.05
- Others	-	13,35.67
Balance outstanding as at balance sheet date in respect of above cases		
- Subsidiaries	5,40,06.17	2,32,49.91
- Others	7,83,65.11	14,04.33

(b) In our opinion and according to information and explanations given us and on the basis of our audit procedures, the investments made, guarantee provided, security given and the terms and conditions of all loans and advances in the nature of loans and guarantee provided are, prima facie, not prejudicial to Company's interest.

(c) According to the books of accounts and records examined by us in respect of the loans and advances in the nature of loans, where the schedule of repayment of principal and interest, as applicable, has been stipulated, the repayments or receipts are generally regular. Loans given to subsidiaries are interest free.

(d) According to the books of accounts and records examined by us in respect of the loans, there is no amount overdue for more than ninety days.

(e) In our opinion and according to information and explanations given and the books of accounts and records examined by us, loans granted which have fallen due during the year have been renewed or extended and no fresh loans have been granted to settle the over dues of existing loans given to the same parties.

(₹ In Lakh)

Particulars	**Aggregate amount of over dues of existing loans renewed or extended**	**Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year**
Subsidiaries	2,32,49.91	94.30
Other	14,04.33	5.70

(f) In our opinion and according to information and explanation given and records examined by us, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion and according to the information and explanations provided to us, provisions of section 185 and 186 of the Companies Act 2013, in respect of loans, investments, guarantees and security, as applicable, have been complied with.

v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

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

vii. (a) According to the records of the company and information and explanations given to us, the Company is not regular, in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues to the appropriate authorities, as applicable, during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable except as mentioned below:-

Name of the Statute	**Nature of the Dues**	**Amount (₹ In Lakh)**	**Period to which the amount relates**	**Due Date**	**Date of Payment**
Income Tax Act, 1961	TDS	1328.00	Current and previous financial years	Various due dates of current and previous financial years	Not paid yet
	Interest on TDS	1108.39			
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	6.47	Current year	Various due dates	Not paid yet

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute except as mentioned below:-

(₹ In Lakh)

Name of the Statute	Nature of Dues	Amount Disputed (Net of TDS and Advance tax Paid)	Period to which Dispute Relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax	8,444.43	Assessment year 2009-2010 to 2016-2017	Income Tax Appellate Tribunal & Bombay High Court
Service Tax Act, 1994	Service Tax	62.68	Financial Year 2013-2014	Central Excise and Service Tax Appellate Tribunal (CESTAT)
	Total	**8,507.11**		

viii. According to the information and explanations given to us and representation given to us by the management, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year. Accordingly, the provision of clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender except as mentioned below:-

Defaults in respect of bank and financial institutions are as under:-

(₹in Lakh)

Nature of borrowing	Name of Lenders*	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid (in days)
Secured Loan – Others	Edelweiss Asset Reconstruction Company Limited-SC 162	2,650.00	Principal	1,370
		45.00	Interest	1096 to 1278
		240.00	Interest	730 to 1005
		498.00	Interest	356 to 639
		636.00	Interest	0 to 274
Secured Term Loan	IDFC FIRST Bank Limited	3674.30	Principal	729
		343.57	Interest	1096 to 1308
		607.96	Interest	730 to 1066
		717.16	Interest	365 to700
		828.35	Interest	0 to 365
Short Term Priority Loans	Edelweiss Asset Reconstruction Company Limited	3,722.18	Principal	1,370
Secured Loan – Others	Edelweiss Asset Reconstruction Company Limited -various trust	2,510.00	Principal	1

*The above does not include borrowing assigned by lenders to Edelweiss Asset Reconstruction Company Limited pending restructuring agreement.

*In case of Axis Bank and SERI Equipment Finance Ltd during the year lenders has approved the settlement of dues and there is no default existing as at balance sheet date as per the terms agreed.

(b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given and records examined by us, the Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause 3(ix) (c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, prima facie, short term fund available of ₹ 7464.02 Lakh have been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any joint ventures or associate companies.

(x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under audit.

(xi) (a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, No report under sub-section 12 of section 143 of the Act has been filed by us or by any other auditor in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) In our opinion, Company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

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

(xiv) (a) In our opinion, and according to the information and explanations given to us, the internal audit system needs to be strengthened to make it commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in Section 192 of the Act.

(xvi) (a) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

(C) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) In our opinion, and according to the information and explanations provided to us, the Group has does not have any Core Investment Company (CIC).

(xvii) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses in the immediately preceding financial year amounting to ₹9566.44 Lakhs, however during the current financial year the Company has not incurred cash losses.

(xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of Paragraph 3 of the Order are not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting and the various conditions specified under paragraph "Material uncertainty related to Going Concern" above, which indicates and causes us to believe that material uncertainty exists as on the date of the audit report that the Company is capable of meeting all of its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) According to the information and explanations given to us and on the basis of our audit procedures provision of section 135 of the Act are not applicable to the Company.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 22109859AKSAYH1380

Place: Mumbai
Date: 30th May, 2022

"Annexure B" to the Independent Auditor's Report

Referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Limited on the standalone financial statements for the year ended 31st March 2022.

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

We have audited the internal financial controls with reference to financial statements of Arshiya Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Basis of Qualified Opinion

Based on our audit and information & explanations provided by the management, the material weaknesses have been identified in the Company's internal financial controls with reference to standalone financial statements as at 31st March, 2022 with regard to i) accounting of settlement letter without complying conditions precedent and ii) obtaining balance confirmations of borrowing (including interest) from lenders.

Qualified Opinion

In our opinion and to the best of information and according to explanations given to us, the Company has maintained adequate internal financial controls with reference to financial statements as at 31st March, 2022 based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI and except for possible effects of the material weakness described in the Basis of Qualified Opinion paragraph above on the achievement of the objectives of the Control criteria, the Company's internal financial control with reference to financial statements were operating effectively as at 31st March, 2022.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of standalone financial statements of the Company for the year ended 31st March, 2022, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 22109859AKSAYH1380

Place: Mumbai
Date: 30th May 2022

Balance Sheet as at 31st March, 2022

(₹ in Lakh)

Particulars			Notes	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
ASSETS						
Non-Current Assets						
(a)	Property, Plant and Equipment		5 (a)	61,491.60	62,145.50	63,501.79
(b)	Right of Use Assets		5 (b)	612.56	168.07	164.41
(c)	Intangible Assets		6	91.65	308.79	525.93
(d)	Intangible Assets Under Development			-	60.00	60.00
(e)	Financial Assets					
	(i)	Investments	7	50,906.36	50,157.18	50,149.72
	(ii)	Loans	8	4,380.56	2,173.47	1,940.60
	(iii)	Trade Receivables	9	-	-	7,006.05
	(iv)	Other Financial Assets	10	96.09	48.94	57.85
(f)	Other Non-Current Assets		11	210.44	389.91	624.28
				1,17,789.26	**1,15,451.86**	**1,24,030.63**
Current assets						
(a)	Inventories		12	12,537.34	12,537.34	12,537.34
(b)	Financial Assets					
	(i)	Trade Receivables	13	13,555.59	24,631.32	15,916.62
	(ii)	Cash and Cash Equivalents	14	20.29	38.04	9.67
	(iii)	Bank Balances Other than (ii) above	15	15.03	15.03	16.15
	(iv)	Loans	16	20,273.68	20,469.30	17,455.79
	(v)	Other Financial Assets	17	4,709.53	4,165.88	3,647.85
(c)	Other Current Assets		18	2,057.09	2,245.36	1,966.54
				53,168.55	**64,102.27**	**51,549.96**
(d)	Assets classified as held for sale		19	5.00	1,145.89	1,145.89
		Total Assets		**1,70,962.81**	**1,80,700.02**	**1,76,726.48**
EQUITY AND LIABILITIES						
Equity						
(a)	Equity Share capital		20	5,245.52	5,245.52	5,161.52
(b)	Other Equity		21	85,955.28	45,457.23	56,035.68
				91,200.80	**50,702.75**	**61,197.20**
Liabilities						
Non Current Liabilities						
(a)	Financial Liabilities					
	(i)	Borrowings	22	18,382.88	40,378.55	54,419.60
	(ii)	Lease Liabilities	23	496.70	130.74	95.05
	(iii)	Other Financial Liabilities	24	168.29	422.99	874.93
(b)	Provisions		25	81.57	69.87	90.56
				19,129.44	**41,002.15**	**55,480.14**
Current Liabilities						
(a)	Financial Liabilities					
	(i)	Borrowings	26	41,460.66	48,184.71	33,140.19
	(ii)	Trade Payables	27			
		Micro and Small Enterprises		269.95	148.64	188.37
		Others		1,099.02	1,152.97	1,021.98
	(iii)	Lease Liabilities	28	165.91	46.80	79.88
	(iv)	Other Financial Liabilities	29	12,595.04	34,423.13	22,015.95
(b)	Other Current Liabilities		30	5,035.17	5,033.76	3,578.08
(c)	Provisions		31	6.82	5.11	7.14
				60,632.57	**88,995.12**	**60,031.59**
(d)	Liabilities associated with assets classified as held for sale		32	-	-	17.55
		Total Equity and Liabilities		**1,70,962.81**	**1,80,700.02**	**1,76,726.48**

Notes to the financial statements 1 to 79

As per our report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th May, 2022

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Notes	Year Ended 31st March, 2022	Year Ended 31st March, 2021
INCOME			
Revenue from operations	33	6,193.34	6,632.39
Other income	34	818.96	1,094.85
Total Income (I)		**7,012.30**	**7,727.24**
EXPENSES			
Employee benefits expenses	35	1,299.13	961.13
Finance costs	36	8,646.77	14,812.38
Depreciation and amortization expenses	37	1,032.54	1,289.67
Other expenses	38	3,121.09	1,520.17
Total Expenses (II)		**14,099.53**	**18,583.35**
Profit/(loss) before exceptional items and tax (I-II)		**(7,087.23)**	**(10,856.11)**
Exceptional Items	39	47,244.27	-
Profit/(loss) before tax		**40,157.04**	**(10,856.11)**
Tax expense:	61		
Current tax		-	-
Deferred tax		-	-
Profit/(loss) for the year		**40,157.04**	**(10,856.11)**
OTHER COMPREHENSIVE INCOME			
Item not to be reclassified to profit and loss:			
Remeasurement of gains/(losses) on defined benefit plans		(6.65)	1.93
Other Comprehensive income for the year		**(6.65)**	**1.93**
Total Comprehensive Income for the year		**40,150.39**	**(10,854.18)**
Earning per equity share (face value of ₹ 2 each)	58		
Basic (in ₹)		15.31	(4.20)
Diluted (in ₹)		15.17	(4.20)
Notes to the financial statements	1 to 79		

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th May, 2022

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Statement of changes in Equity for the Year Ended 31st March, 2022

A. Equity Share Capital (Refer Note No. 20)

Particulars	₹ in Lakh
Equity Shares of ₹ 2 each issued, subscribed and paid up	
As at 1st April, 2020	**5,161.52**
Issue of Equity Shares	84.00
As at 31st March, 2021	**5,245.52**
Issue of Equity Shares	-
As at 31st March, 2022	**5,245.52**

B. Other Equity (Refer Note No. 20)

(₹ in Lakh)

Particulars	Other Reserves		Reserve and Surplus				Total
	Equity Component of Compunded Financial Instruments	Amalgamation Reserve	Securities Premium Account	Employee Stock Options Reserve	General Reserve	Retained Earnings	
Balances as on 1st April, 2020	**690.91**	**124.80**	**59,691.96**	**45.01**	**940.18**	**(5,457.18)**	**56,035.68**
Profit/(loss) for the year	-	-	-	-	-	(10,856.11)	(10,856.11)
Other comprehensive income	-	-	-	-	-	1.93	1.93
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(10,854.18)**	**(10,854.18)**
Share based payment	-	-	-	216.62	-	-	216.62
On issue of equity shares	(690.91)	-	1,011.63	(261.63)	-	-	59.09
Balances as at 31st March, 2021	**-**	**124.80**	**60,703.59**	**-**	**940.18**	**(16,311.36)**	**45,457.23**
Profit/(loss) for the year	-	-	-	-	-	40,157.04	40,157.04
Other comprehensive income	-	-	-	-	-	(6.65)	(6.65)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**40,150.39**	**40,150.39**
Share based payment	-	-	-	347.66	-	-	347.66
Balances as at 31st March, 2022	**-**	**124.80**	**60,703.59**	**347.66**	**940.18**	**23,839.03**	**85,955.28**

Notes to the financial statements 1 to 79

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th May, 2022

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Cash Flow Statement for the year ended 31st March, 2022

(₹ in Lakh)

Particulars		Year Ended 31st March, 2022	Year Ended 31st March, 2021
Cash flow from operating activities			
Profit/(Loss) before tax		40,157.04	(10,856.11)
Adjustments for			
Sundry balances written off/ back (net)		(4.50)	989.81
Discarding/written off of Intangible assets under development		60.00	-
Profit on disposal of Property, plant and equipment (net)		-	(0.17)
Bad debts		1,481.04	-
Provision for doubtful debts/Expected credit loss		28.58	8.50
Gain on settlement on debts (net)		(47,244.27)	-
Depreciation and amortization expense		1,032.54	1,289.67
Finance costs		8,646.77	14,812.38
Unwinding interest income on loan to subsidiaries		(261.15)	(232.87)
Interest income on fixed deposits		-	(1.02)
Interest income on others		(50.23)	(2.72)
Interest income on tax refund		(17.70)	(30.96)
Gain on derecognised of Liability Component of Compound Financial Instruments (OCRPS)		-	(16.13)
Financial guarantees income		(458.86)	(554.42)
Financial assets carried at amortised cost		(1.57)	-
Gain on derecognised of Financial guarantee income		-	(18.97)
Loss on disposal of investment in subsidiary		1,040.89	-
Gain on Lease modification		-	(4.66)
Share base payment		86.92	107.67
Foreign exchange difference (net)		14.55	(3.67)
Operating profit before working capital changes		**4,510.05**	**5,486.33**
Adjustments for			
Decrease/(Increase) in financial and other assets		8,407.39	(3,148.86)
(decrease)/Increase in financial and other liabilities		(402.82)	802.73
Cash generated from operations		**12,514.62**	**3,140.20**
Direct taxes paid (net of refunds)		197.17	265.33
Net cash flow from operating activities	(A)	**12,711.79**	**3,405.53**
Cash flow from investing activities			
Purchase of property, plant and equipments		(59.55)	(24.53)
Proceeds from sale of property, plant and equipment		-	0.51
Investment made in equity shares		-	(1.00)
Sale of Investment in subsidiaries		101.00	-
Loans given to subsidiaries & related party (net)		(3,247.99)	(2,904.56)
Interest income on fixed deposits		-	2.14
Net cash flow from investing activities	(B)	**(3,206.54)**	**(2,927.44)**

(₹ in Lakh)

Particulars		Year Ended 31st March, 2022	Year Ended 31st March, 2021
Cash flow from financing activities			
Issue of Equity shares		-	34.00
Repayment of non-current borrowings		(2.40)	(1.60)
Short-term borrowings (Net)		(5,137.67)	905.06
Lease liability paid		(101.57)	(36.11)
Interest paid		(4,281.36)	(1,351.07)
Net cash flow from financing activities	(C)	**(9,523.00)**	**(449.72)**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		**(17.75)**	**28.37**
Cash and cash equivalents at the beginning of the year		38.04	9.67
Cash and cash equivalents at the end of the year (Refer Note No. 14)		**20.29**	**38.04**

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

Particulars	Long term Borrowings	Short term Borrowings
As at 1st April, 2021	76,717.21	11,846.05
Add: Transaction cost	136.00	-
Less: Non cash items	(21,559.05)	(2,156.60)
Less: Cash flow (net)	(2.40)	(5,137.67)
As at 31st March, 2022	55,291.76	4,551.78

Notes:

1. Bracket indicates cash outflow.
2. The above cash flow statement has been prepared under the “Indirect Method” as set out in IND AS 7 on Statement of Cash Flow.

Notes to the financial statements 1 to 79

As per our report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th May, 2022

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Notes to the financial statements for the year ended 31st March, 2022

1 Corporate Information

Arshiya Limited (the Company) (CIN : L93000MH1981PLC024747) is a unified supply chain and integrated logistics infrastructure solution provider and is engaged in the business of Free Trade and Warehousing Zone (FTWZ) and additional sector i.e. electronic hardware and software (including IT / ITES) along with development, operations and maintenance of FTWZ. The Company is a public company in India and is incorporated on 3rd July, 1981 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 205 & 206 (Part), 2nd Floor, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

The Company is developer at FTWZ. Panvel, Maharashtra. FTWZ's are developed under the provisions of Special Economic Zone Act, 2005 and the Special Economic Zone Rules, 2006.

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

The Financial statements of the Company for the year ended 31st March, 2022 were approved and adopted by the Board of Directors in their meeting held on 30th May, 2022.

The financial statements of the Company for the period from 1st April, 2019 upto 31st March 2021 have been restated pursuant the Scheme of Arrangement (Scheme) approved by National Company Law Tribunal, Mumbai Bench (NCLT) vide it's order dated 21st January, 2022. The Scheme became effective by filing the certified copy of order with Registrar of Companies on 2nd February, 2022 with the Appointed date of the scheme is 1st April, 2019 (Refer Note No. 49).

2 Basis of preparation of financial statements

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

The financial statements are prepared on a historical cost convention basis, except for certain financial assets and liabilities which are measured at fair value / amortized cost.

The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all values are rounded to the nearest lakh as per the requirement of schedule III of the Act, unless when otherwise indicated.

3 Significant Accounting Policies

3.1 Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.

Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the period of lease. Depreciation on property, plant and equipment which are added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated and under the previous GAAP land was revalued.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Notes to the financial statements for the year ended 31st March, 2022

The Company has opted to continue with the carrying values of all of its property, Plant and Equipment as recognised in the previous GAAP financial statements as deemed cost at the transition date i.e. 1st April, 2016.

3.2 Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Cost of Enterprise Resource Planning (ERP) software including expenditure on implementation is to be amortised over a period of ten years based on management's estimate of useful life over which economic benefits will be derived from its use.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of three to seven years. The assets' useful lives are reviewed at each financial year end.

Trademark are amortised over the period of ten (10) years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets under development includes cost of computer software under installation / under development as at the balance sheet date.

The Company has opted to continue with the carrying values of all of its Intangible assets as recognised in the previous GAAP financial statements as deemed cost at the transaction date i.e. 1st April, 2016.

3.3 Leases

The Company assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases). For these short term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using its incremental borrowing rate as the discount rate.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

ROU assets and Lease liability have been separately presented in the Balance Sheet note 5b, 23 & 28 respectively and lease payments have been classified as financing cash flows.

Notes to the financial statements for the year ended 31st March, 2022

3.4 Inventories

Inventories are measured at lower of cost and net realisable value. Inventory comprises of cost of land and incidental cost thereto.

3.5 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand and short-term deposits, as defined above, net of outstanding bank overdrafts as which are considered an integral part of the Company's cash management.

3.6 Impairment of assets

An asset is considered as impaired when at the date of Balance Sheet, there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the statement of profit and loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

3.7 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets -Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Financial assets - Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-

a) Financial assets at fair value

b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

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

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

Notes to the financial statements for the year ended 31st March, 2022

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

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

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

Financial assets - Equity Investment in subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27 separate financial statements.

Transition to Ind AS

Upon first-time adoption of Ind AS, the Company has elected to continue with the carrying value of all of its investments in subsidiaries as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investments in subsidiaries.

In respect of interest free loans given to subsidiaries, the difference between the loan amount and its fair value is treated as further investment by the Company in the respective subsidiaries. Where financial guarantees in relation to loans of subsidiaries are provided for no compensation, the fair values are added to investment by the Company in respective subsidiaries.

The Company has accounted for its equity investment in subsidiaries at cost.

Financial assets - Derecognition

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Company has transferred its rights to receive cash flow from the asset.

Financial liabilities - Initial recognition and measurement:

The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of financial instruments, or where appropriate, a shorter period.

Financial liabilities - Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are approximate at their fair value due to the short maturity of these instruments.

Financial Liabilities - Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction

Notes to the financial statements for the year ended 31st March, 2022

costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Financial Liabilities - Derecognition

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

Compound Instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

3.8 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.9 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors.

3.10 Revenue recognition

Revenue is recognized upon transfer of control of goods or rendering of services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

Notes to the financial statements for the year ended 31st March, 2022

Lease income is recognised in the Statement of Profit and Loss on straight line basis over the lease terms, unless there is another systematic basis which is more representative of the time pattern of the lease.

Revenue are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

(i) Income from allotment of warehousing spaces and open yard area for use are recognised for the period the material is lying in area as per agreed terms.

(ii) Revenue from valued services and other activities is recognised when related services are performed as per the contractual terms.

(iii) Income from Business Conducting Fees shall be recognised as per contractual terms.

(iv) Revenue from lease of land is recognised as per contract terms agreed between the parties.

(v) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(vi) Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the payment of dividend.

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer of services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made Contract liabilities are recognised as revenue when the Company performs under the contract.

3.11 Foreign currency reinstatement and translation:

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates as on balance sheet date and the resulting exchange difference recognised in statement of profit and loss. Differences arising on settlement of monetary items are also recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

Notes to the financial statements for the year ended 31st March, 2022

3.12 Employee benefits

Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered.

(a) Defined Contribution Plan

Contribution to Provident Fund etc., a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

(b) Defined Benefit Plan

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

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

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

3.13 Taxes on Income

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

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

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

3.14 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The

Notes to the financial statements for the year ended 31st March, 2022

amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

3.15 Earnings per Share

Basic earnings per share is computed using the net profit/(loss) for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit/(loss) for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.16 Current and non-current classification

"The Company presents assets and liabilities in statement of financial position based on current/non-current classification. The Company has presented non-current assets and current assets, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA."

An asset is classified as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Expected to be realised within twelve months after the reporting period, or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

(a) Expected to be settled in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Due to be settled within twelve months after the reporting period, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

3.17 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes to the financial statements for the year ended 31st March, 2022

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy.

3.18 Off-setting Financial Instrument

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

3.19 Segment Reporting - Identification of Segments

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

3.20 Contributed Equity

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

3.21 Share Based Payment

Equity settled share based payments to employees providing services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity share based payments transactions are set out in Note 57.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.22 Cash flow statement

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

Notes to the financial statements for the year ended 31st March, 2022

3.23 Business combinations

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

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

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

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

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

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

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

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

3.24 Assets (or disposal group) held for sale and discontinued operations

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of de-recognition.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

4 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to

Notes to the financial statements for the year ended 31st March, 2022

the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

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

4.1 Property, plant and equipment and Intangible Assets

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

4.2 Income Tax

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

4.3 Contingencies

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

4.4 Impairment of financial assets

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

4.5 Impairment of non-financial assets

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

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

4.6 Defined benefits plans

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

Notes to the financial statements for the year ended 31st March, 2022

4.7 Recoverability of trade receivable

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

4.8 Provisions

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

4.9 Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.10 Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and / or require separate disclosure in accordance with Ind AS. The determination as to which items should be disclosed separately requires a degree of judgement. The details of exceptional items are set out in note 39.

4a Recent Accounting pronouncements

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 01, 2022.

- Ind AS 101 – First time adoption of Ind AS
- Ind AS 103 – Business Combination
- Ind AS 109 – Financial Instrument
- Ind AS 16 – Property, Plant and Equipment
- Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 41 – Agriculture

The Company does not expect the consequential amendments to have any significant impact in its financial statements.

Notes to the financial statements for the year ended 31st March, 2022

5 (a). Property, Plant and Equipment

(₹ in Lakh)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Equipments	Computers	Leasehold Improvements	Total
Gross Carrying Value									
As at 1st April, 2020	39,764.99	24,896.12	2,200.35	96.44	56.17	1,072.77	46.35	-	68,133.19
Additions	-	-	2.75	-	11.26	1.32	9.20	-	24.53
Disposals	-	(279.27)	-	-	(2.20)	(511.33)	-	-	(792.80)
As at 31st March, 2021	**39,764.99**	**24,616.85**	**2,203.10**	**96.44**	**65.23**	**562.76**	**55.55**	**-**	**67,364.92**
Additions	-	-	29.25	-	-	-	2.70	27.60	59.55
Disposals/Discarded	-	-	-	-	-	-	-	-	-
As at 31st March, 2022	**39,764.99**	**24,616.85**	**2,232.35**	**96.44**	**65.23**	**562.76**	**58.25**	**27.60**	**67,424.47**
Accumulated Depreciation									
As at 1st April, 2020	-	3,010.78	837.94	67.28	28.41	669.17	17.82	-	4,631.40
Depreciation for the year	-	660.20	210.26	11.80	5.35	150.55	7.49	-	1,045.65
Disposals	-	(23.44)	-	-	(1.86)	(432.33)	-	-	(457.63)
As at 31st March, 2021	**-**	**3,647.54**	**1,048.20**	**79.08**	**31.90**	**387.39**	**25.31**	**-**	**5,219.42**
Depreciation for the year	-	435.64	210.77	4.47	4.33	47.97	7.68	2.60	713.46
Disposals/Discarded	-	-	-	-	-	-	-	-	-
As at 31st March, 2022	**-**	**4,083.18**	**1,258.97**	**83.55**	**36.23**	**435.36**	**32.99**	**2.60**	**5,932.88**
Net Carrying value as at 31st March, 2022	**39,764.99**	**20,533.67**	**973.38**	**12.89**	**29.00**	**127.40**	**25.26**	**25.00**	**61,491.60**
Net Carrying value as at 31st March, 2021	**39,764.99**	**20,969.31**	**1,154.90**	**17.36**	**33.33**	**175.37**	**30.24**	**-**	**62,145.50**
Net Carrying value as at 1st April, 2020	**39,764.99**	**21,885.34**	**1,362.41**	**29.16**	**27.76**	**403.60**	**28.53**	**-**	**63,501.79**

Notes:

1) Freehold Land includes ₹ 9,735.11 Lakh (~108 Acres) situated at Nagpur, which is under possession of a lender as per the Order of Hon'ble High Court of Bombay dated 9th May, 2013. (Refer Note No. 41)
2) In accordance with the Indian Accounting Standard (IND AS -36) on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2022.
3) For details of securities charged on above property, plant and equipment, refer note no. 22 and 26.

Notes to the financial statements for the year ended 31st March, 2022

5 (b). Right of Use Assets

(₹ in Lakh)

Particulars	Building	Plant and Machinery	Furniture and Fixtures	Total
Gross Carrying Value				
As at 1st April, 2020	125.66	120.00	-	245.66
Addition	-	-	100.25	100.25
Modification during the year	(125.66)	-	-	(125.66)
As at 31st March, 2021	**-**	**120.00**	**100.25**	**220.25**
Addition	521.36	25.07	-	546.43
Modification during the year	-	-	-	-
As at 31st March, 2022	**521.36**	**145.07**	**100.25**	**766.68**
Accumulated Depreciation				
As at 1st April, 2020	55.95	25.30	-	81.25
Depreciation for the year	-	25.23	1.65	26.88
Modification during the year	(55.95)	-	-	(55.95)
As at 31st March, 2021	**-**	**50.53**	**1.65**	**52.18**
Depreciation for the year	56.53	28.71	16.70	101.94
Modification during the year	-	-	-	-
As at 31st March, 2022	**56.53**	**79.24**	**18.35**	**154.12**
Net Carrying value as at 31st March, 2022	**464.83**	**65.83**	**81.90**	**612.56**
Net Carrying value as at 31st March, 2021	**-**	**69.47**	**98.60**	**168.07**
Net Carrying value as at 1st April, 2020	**69.71**	**94.70**	**-**	**164.41**

Notes to the financial statements for the year ended 31st March, 2022

6. Intangible Assets

(₹ in Lakh)

Particulars	Trade Mark	Software	Total
Gross Carrying Value			
As at 1st April, 2020	0.49	1,591.20	1,591.69
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2021	**0.49**	**1,591.20**	**1,591.69**
Additions	-	-	-
Disposals/Discarded	-	-	-
As at 31st March, 2022	**0.49**	**1,591.20**	**1,591.69**
Accumulated Amortisation			
As at 1st April, 2020	0.49	1,065.27	1,065.76
Amortisation for the year	-	217.14	217.14
Deductions	-	-	-
As at 31st March, 2021	**0.49**	**1,282.41**	**1,282.90**
Amortisation for the year	-	217.14	217.14
Deductions	-	-	-
As at 31st March, 2022	**0.49**	**1,499.55**	**1,500.04**
Net Carrying value as at 31st March, 2022	**-**	**91.65**	**91.65**
Net Carrying value as at 31st March, 2021	**-**	**308.79**	**308.79**
Net Carrying value as at 1st April, 2020	**-**	**525.93**	**525.93**

Particulars	As at 31st March, 2022		As at 31st March, 2021		As at 1st April, 2020	
	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh
Non-Current Financial Assets						
7. Investments						
(Unquoted Investments carried at Cost)						
(i) Investments in Equity Instruments of Subsidiaries						
Arshiya Northern FTWZ Limited (the face value of ₹ 10 each) @	1,08,68,677	44,625.29	1,08,68,677	44,625.29	1,08,68,677	44,625.29
Arshiya Technologies (India) Private Limited (the face value of ₹ 10 each)	1,01,158	2.00	1,01,158	2.00	1,01,158	2.00
Arshiya Lifestyle Limited (the face value of ₹ 10 each)	14,85,000	14.85	14,85,000	14.85	14,85,000	14.85
Arshiya Logistics Services Limited (the face value ₹ 10 each)	16,00,000	155.50	16,00,000	155.50	16,00,000	155.50

Notes to the financial statements for the year ended 31st March, 2022

Particulars	As at 31st March, 2022		As at 31st March, 2021		As at 1st April, 2020	
	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh
Arshiya Infrastructure Developers Private Limited (the face value ₹ 10 each)	10,000	1.00	10,000	1.00	10,000	1.00
Unrivalled Infrastructure Private Limited (the face value ₹ 10 each)	10,000	1.00	10,000	1.00	10,000	1.00
Arshiya Data Centre Private Limited (the face value ₹ 10 each)	10,000	1.00	10,000	1.00	10,000	1.00
AMD Business Support Services Private Limited (the face value ₹ 10 each)	-	-	10,000	1.00	-	-
Total (i)		**44,800.64**		**44,801.64**		**44,800.64**
(All the above equity shares are fully paid up)						
(ii) Deemed Equity Investments						
Investments at amortised cost						
Arshiya Northern FTWZ Limited		696.96		696.96		696.96
Arshiya Lifestyle Limited		2,759.36		2,009.18		2,002.72
Arshiya Data Centre Private Limited		2,649.40		2,649.40		2,649.40
Total (ii)		**6,105.72**		**5,355.54**		**5,349.08**
Total (i+ii)		**50,906.36**		**50,157.18**		**50,149.72**

@ As per debt covenents of the following Subsidiary is required to pledge 100% of the shareholding in favor lenders however the Company has pledged following number equity shares only:

31st March, 2022 - 70,59,038 (31st March 2021 - 70,59,038 and 1st April 2020 - 70,59,038) equity shares in Arshiya Northern FTWZ Limited

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Non- Current Financial Assets			
8. Loans			
Unsecured, considered good unless otherwise stated			
Loans to Subsidiaries (Refer Note No. 59)	2,976.22	2,173.47	1,940.60
Loans to Related Party (Refer Note No. 59)	1,404.34	-	-
Total	**4,380.56**	**2,173.47**	**1,940.60**

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
9. Trade Receivables			
Unsecured			
Considered good (Receivables from Related party (Refer Note No. 59))	-	-	7,006.05
	-	**-**	**7,006.05**
Less: Provision for expected credit losses	-	-	-
	-	-	-
Total	**-**	**-**	**7,006.05**
Trade Receivable ageing schedule:			
Outstanding for followings from due date of payment			
Undisputed, considered good			
Not due	-	-	7,006.05
Less than 6 months	-	-	-
6 month to 1 year	-	-	-
1 to 2 years	-	-	-
2 to 3 years	-	-	-
More than 3 years	-	-	-
Total	-	-	7,006.05
Disputed Trade Receivables	-	-	-
Total	-	-	-
10. Other Financial Assets			
Security Deposits	45.86	48.94	57.85
Interest receivables	50.23	-	-
Total	96.09	48.94	57.85
Non-Current Assets			
11. Other Non- Current Assets			
Considered good	-	-	-
Considered doubtful	-	-	1,395.00
	-	**-**	**1,395.00**
Less: Provision for impairment	-	-	(1,395.00)
	-	**-**	**-**
TDS Receivables/Taxes paid	210.44	389.91	624.28
Total	**210.44**	**389.91**	**624.28**

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Current Assets			
12. Inventories			
Land	12,537.34	12,537.34	12,537.34
Total	**12,537.34**	**12,537.34**	**12,537.34**
Current Financial Assets			
13. Trade Receivables			
Undisputed Considered good - Unsecured (Receivables from Related party (Refer Note No. 59))	13,555.59	24,631.32	15,916.62
Trade Receivables which have significant increase in credit risk	37.08	8.50	-
	13,592.67	**24,639.82**	**15,916.62**
Less: Provision for expected credit losses	(37.08)	(8.50)	-
Total	**13,555.59**	**24,631.32**	**15,916.62**

Trade Receivable ageing schedule:

Outstanding for followings from due date of payment

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Undisputed, considered good			
Not due	10.73	11,998.33	15,770.96
Less than 6 months	8,706.38	12,626.55	135.51
6 month to 1 year	4,543.88	1.82	2.78
1 to 2 years	178.15	2.70	5.28
2 to 3 years	116.45	1.92	2.09
More than 3 years	-	-	-
Total	**13,555.59**	**24,631.32**	**15,916.62**
Undisputed Trade Receivables which have significant increase in credit risk			
Less than 6 months	1.39	8.50	-
6 month to 1 year	23.62	-	-
1 to 2 years	12.07	-	-
2 to 3 years	-	-	-
More than 3 years	-	-	-
Total	**37.08**	**8.50**	**-**
Disputed Trade Receivables	-	-	-
Total	**-**	**-**	**-**

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
14. Cash and Cash Equivalents			
Balances with banks:			
- in current accounts #	12.29	37.94	8.55
Cash on hand	8.00	0.10	1.12
Total	**20.29**	**38.04**	**9.67**

Cash and cash equivalents as at 31st March, 2022 comprises of restricted bank balances held in escrow account with bank amounting to ₹ 0.35 Lakh (31st March, 2021 - ₹ 33.86 Lakh and 1st April, 2020 - ₹ 4.50 Lakh). This account can only be operated with the specific permission / instruction in terms of the Escrow Agreement.

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
15. Other Bank Balances			
Deposits with bank to the extent held as security against guarantee	15.03	15.03	16.15
Total	**15.03**	**15.03**	**16.15**
16. Loans			
Unsecured, considered good unless otherwise stated			
Loans to Subsidiaries (Refer Note No. 59)	20,273.68	20,469.30	17,455.79
Total	**20,273.68**	**20,469.30**	**17,455.79**

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
17. Other Financial Assets			
Unbilled Revenue	3,565.60	3,676.94	2,536.71
Other recoverables	1,143.93	488.94	1,111.14
Total	**4,709.53**	**4,165.88**	**3,647.85**
18. Other Current Assets			
Advances to Suppliers	104.16	247.30	13.84
Advances to Staffs	18.51	59.70	0.69
Prepaid expenses	10.00	21.90	26.26
Balances with Statutory, Government Authorities	47.77	39.81	49.10
VAT Refund receivables (Refer Note No 50)	1,876.65	1,876.65	1,876.65
Total	**2,057.09**	**2,245.36**	**1,966.54**

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
19. Assets classified as held for sale			
(i) Investments in Equity Instruments of Subsidiaries			
Anomalous Infra Private Limited - Nil (31st March, 2021 and 1st April, 2020 - 1,10,000 Equity Shares face value of ₹ 10 each) @ (Refer Note No. 56)	-	11.00	11.00
Arshiya Northern Projects Private Limited (50,000 Equity Shares face value ₹ 10 each) (Refer Note No.55)	5.00	5.00	5.00
(ii) Deemed Equity Investments			
Investments at amortised cost			
Anomalous Infra Private Limited	-	1,129.89	1,129.89
Total	**5.00**	**1,145.89**	**1,145.89**

@ The Company has pledged Nil (31st March 2021 - 1,09,900 and 1st April 2020 - 1,09,900) equity shares of Anomalous Infra Private Limited ("AIPL") to secured debt availed by AIPL.

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
20. Equity Share Capital			
Authorised			
(i) 28,75,00,000 (31st March, 2021 - 28,75,00,000 and 1st April, 2020 - 28,75,00,000) Equity Shares of ₹ 2 each	5,750.00	5,750.00	5,750.00
(ii) 30,00,000 (31st March, 2021 - 30,00,000 and 1st April, 2020 - 30,00,000) 0% Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each	300.00	300.00	300.00
Total	**6,050.00**	**6,050.00**	**6,050.00**
Equity Share Capital - issued, subscribed and fully paid			
26,22,75,915 (31st March, 2021 - 26,22,75,915 and 1st April, 2020 - 25,80,75,915) Equity shares of ₹ 2 each	5,245.52	5,245.52	5,161.52
Total	**5,245.52**	**5,245.52**	**5,161.52**

(a) Terms and rights

(i) Terms and rights attached to equity shares

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

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

Notes to the financial statements for the year ended 31st March, 2022

(ii) Terms and rights attached to 0% Optionally Convertible Redeemable Preference Shares (OCRPS)

The Company has 0% optionally convertible redeemable preference shares having a par value of ₹ 10 per share. Each holder of OCRPS has right / entitled to convert into equity shares within 18 months from the date of issue or redemption from the end of 19th year to 23rd years as per terms.

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

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

Particulars	Number of Shares	₹ in Lakh
Balance as at 1st April 2020	**25,80,75,915**	**5,161.52**
Add: Issued during the year	42,00,000	84.00
Balance as at 31st March, 2021	**26,22,75,915**	**5,245.52**
Add: Issued during the year	-	-
Balance as at 31st March, 2022	**26,22,75,915**	**5,245.52**

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

Particulars	Number of Shares	₹ in Lakh
Balance as at 1st April 2020	80,000	8.00
Add: Issued during the year	-	-
Less: Converted into equity shares during the year	(80,000)	(8.00)
Balance as at 31st March, 2021	**-**	**-**
Add: Issued during the year	-	-
Balance as at 31st March, 2022	**-**	**-**

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

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

Name of the shareholder	Number of equity shares	Percentage (%) shareholding
As at 1st April 2020		
Archana A Mittal	8,85,59,788	34.32%
Ajay S Mittal	3,83,56,437	14.86%
Edelweiss Asset Reconstruction Company Limited (through various EARC trusts)	5,95,59,820	23.08%
As at 31st March 2021		
Archana A Mittal	8,60,59,788	32.81%
Ajay S Mittal	3,83,56,437	14.62%
Edelweiss Asset Reconstruction Company Limited (through various EARC trusts)	6,20,59,820	23.66%

Notes to the financial statements for the year ended 31st March, 2022

Name of the shareholder	Number of equity shares	Percentage (%) shareholding
As at 31st March 2022		
Archana A Mittal	6,42,37,278	24.49%
Ajay S Mittal	3,83,56,437	14.62%
Edelweiss Asset Reconstruction Company Limited (through various EARC trusts)	6,00,59,821	22.90%

(ii) Details of Shareholding of Promoters

Name of the shareholder	Number of Shares	Percentage (%) shareholding	% Change during the year
As at 31st March 2022			
Archana A Mittal	6,42,37,278	24.49%	-8.32%
Ajay S Mittal	3,83,56,437	14.62%	0.00%
As at 31st March 2021			
Archana A Mittal	8,60,59,788	32.81%	-1.50%
Ajay S Mittal	3,83,56,437	14.62%	-0.24%

Promoter's shareholding decreased in compared to previous year due to invocations / sale of pledged shares.

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

Name of the shareholder	Number of equity shares	Percentage (%) shareholding
As at 1st April 2020		
Edelweiss Asset Reconstruction Company Limited (EARC Trust SC 334)	80,000	100%
As at 31st March 2021		
Edelweiss Asset Reconstruction Company Limited (EARC Trust SC 334)	-	-
As at 31st March 2022		
Edelweiss Asset Reconstruction Company Limited (EARC Trust SC 334)	-	-

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
21. Other Equity			
(i) Equity Component of Compounded Financial Instruments			
Balances as at the beginning of the year	-	690.91	-
Less: On issue of Equity Shares	-	(690.91)	-
Balances as at the end of the year	**-**	**-**	**690.91**

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
(ii) Amalgamation Reserve			
Balances as at the beginning and end of the year	124.80	124.80	124.80
Reserve and Surplus			
(iii) Securities Premium Account			
Balances as at the beginning of the year	60,703.59	59,691.96	-
Add: On issue of Equity Shares	-	1,011.63	-
Balances as at the end of the year	**60,703.59**	**60,703.59**	**59,691.96**
(iv) Employee Stock Options Reserve (Refer Note No. 57)			
Balances as at the beginning of the year	-	45.01	-
Add: Share based payment	347.66	216.62	-
Less: On issue of Equity Shares	-	(261.63)	-
Balances as at the end of the year	**347.66**	**-**	**45.01**
(v) General Reserve			
Balances as at the beginning and end of the year	940.18	940.18	940.18
(vi) Deficit in the Statement of Profit and Loss			
Balances as at the beginning of the year	(16,311.36)	(5,457.18)	-
Add: Profit/(Loss) for the year	40,157.04	(10,856.11)	-
Add: Other comprehensive income	(6.65)	1.93	-
Balances as at the end of the year	**23,839.03**	**(16,311.36)**	**(5,457.18)**
Total (i to vi)	**85,955.28**	**45,457.23**	**56,035.68**

Nature and purpose of Reserve and Surplus:

(a) Securities Premium Account:

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

(b) General Reserve:

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

(c) Amalgamation Reserve:

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

Notes to the financial statements for the year ended 31st March, 2022

(d) Employee Stock Options Reserve:

Employee stock reserve is created on account of Employee Stock Option granted to the employees.

(e) Retained Earning:

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Non-Current Liabilities			
22. Borrowings			
Secured			
(a) Term Loans			
From Banks	-	224.36	301.29
From Other Parties	18,380.67	40,149.17	53,996.61
(b) Vehicles Loan from bank	2.21	5.02	7.29
Liability Component of Compound Financial Instruments (OCRPS)	-	-	114.41
Total	**18,382.88**	**40,378.55**	**54,419.60**

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

22.1 Rupee Term loans from Other Parties

(1) **Rupee term loan of ₹ 38,390.67 Lakh (31st March, 2021 - ₹ 59,821.72 Lakh and 1st April, 2020 - ₹ 59,667.70 Lakh) (Refer Note No. 43.1):**

(a) Security provided:

(i) First charge on all the present and future movable and immovable property, plant and equipment including intangible assets, assignment of rights and benefits but excluding project assets for Khurja FTWZ project, Khurja Distiripark Project, Nagpur project and Rail project on pari passu basis.

(ii) Second charge on current assets of the Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.

(iii) first pari passu charge by way of hypothecation on the Panvel Receivables both existing and future of whatsoever nature.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(v) The loans are secured by pledged of shares held by the two Promoter Directors of the Company.

(b) Terms of Interest rate

Rate of Interest is @ 12% p.a. monthly accrual.

Notes to the financial statements for the year ended 31st March, 2022

(c) Terms of Repayment:-

Year	₹ in Lakh
FY 2021-22	2,510.00
FY 2022-23	17,500.00
FY 2023-24	18,500.00
Total	**38,510.00**

(d) The Company has been in default for the repayment of principal amount of ₹ 2,510.00 Lakh.

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 119.33 Lakh (31st March, 2021 - ₹ 255.33 Lakh and 1st April, 2020 - ₹ 409.35 Lakh).

22.2 Vehicle loans from Bank

Two vehicle loans are secured by way of hypothecation of vehicles. Rate of interest for both loan is @ 8.55% p.a. and repayment tenure in monthly instalment up to October 2023 and January 2024 respectively.

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
23. Lease Liabilities			
Lease Liabilities (Refer Note No.46)	496.70	130.74	95.05
Total	**496.70**	**130.74**	**95.05**
24. Other Financial Liabilities			
Financial Liabilities at amortised cost			
Financial guarantees obligations	168.29	422.99	874.93
Total	**168.29**	**422.99**	**874.93**

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
25. Provisions			
Provision for employee benefits (Refer Note No.45)			
Gratuity	61.23	51.76	65.72
Leave encashment	20.34	18.11	24.84
Total	**81.57**	**69.87**	**90.56**

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Current Financial Liabilities			
26. Borrowings			
Secured			
(a) Loan from Other Parties	4,322.18	9,019.16	9,024.05
(b) Current maturities of long term debts from banks	5,145.71	4,913.35	4,833.22
(c) Current maturities of long term debts from other parties	31,760.00	31,422.55	17,359.01
(d) Current maturities of vehicle loan	3.17	2.76	2.08
Unsecured			
(a) Loans from Promoter Directors	152.60	288.40	247.33
(b) Inter Corporate Deposits	77.00	77.00	77.00
(c) Loans from Related Party (Refer Note No. 59)	-	2,461.49	1,597.50
Total	**41,460.66**	**48,184.71**	**33,140.19**

(26.1) Loan from Other Parties

(1) Loan of ₹ 3,722.18 Lakh (31st March, 2021 - ₹ 8,474.05 Lakh and 1st April, 2020 - ₹ 8,474.05 Lakh):

(i) Securities provided:

- Priority charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of the Company as per the Deed of Hypothecation.
- The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(ii) Terms of interest: @ 18% p.a.

(iii) The Company has been in default for the repayment of principal amount of ₹ 3,722.18 Lakh (31st March, 2021 - ₹ 8,474,05 Lakh and 1st April, 2020 - ₹ 8,474.05 Lakh) since 30th June, 2018.

(2) Loan of ₹ 600.00 Lakh (31st March, 2021 - ₹ 545.11 Lakh and 1st April, 2020 - ₹ 550 Lakh) (Refer Note No. 43.3):

(i) Securities provided

- Exclusive charges on cash flows of Domestic warehousing building.
- The above loans are secured by mortgage over lands admeasuring 6,340 Sq. mt. of the Company and wholly owned subsidiary company and 790 Sq. mt. of Arshiya Rail Infrastructure Limited.
- The above loans are secured by personal guarantees of two Promoter Directors of the Company.
- The above loans are secured by corporate guarantees of the subsidiary Company and Arshiya Rail Infrastructure Limited.

(ii) Terms of interest: @ 11% p.a.

Notes to the financial statements for the year ended 31st March, 2022

(iii) Terms of Repayment:-

Year	₹ in Lakh
25th April, 2022	200.00
25th June, 2022	200.00
25th August, 2022	200.00
Total	**600.00**

(iv) The Company has been in default for the repayment of principal amount of ₹ Nil (31st March, 2021 - ₹ 545.11 Lakh and 1st April, 2020 - ₹ 550 Lakh).

26.2 Term loans from Bank:

(1) Rupee loan of ₹ 1,471.41 Lakh (31st March, 2021 - ₹ 1,463.41 Lakh and 1st April, 2020 - ₹ 1,463.41 Lakh) (Refer Note No. 43.2):

(i) Securities provided

- Second charge on movable and immovable property, plant and equipments of the Company, present and future on pari-passu.

- The above loan is secured by personal guarantees of two Promoter Directors of the Company.

(ii) Terms of Interest rate:

Rate of interest is @ 12.35% to 12.45% p.a.

(iii) Terms of Repayment:

Rupee term loan is repayable on or before 30th June 2022.

(iv) The bank has been in default for the repayment of principal amount of ₹ Nil (31st March, 2021 - ₹ 1,463.41 Lakh and 1st April, 2020 - ₹ 1,463.41 Lakh).

(2) Rupee loan of ₹ 3,200.00 Lakh (31st March, 2021 - ₹ 3,200.00 Lakh and 1st April, 2020 - ₹ 3,196.80 Lakh):

(a) Securities provided

(i) Second charge on movable and immovable Panvel assets of the Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Company .

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(b) Terms of Interest rate

Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in Bullet payment at the end of the tenure of loan i.e. 36 months from the date of first disbursement i.e. 21st March, 2018.

Notes to the financial statements for the year ended 31st March, 2022

(d) The Company has been in default for the repayment of principal amount of ₹ 3,200.00 Lakh since FY 2020-21.

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2021 - ₹ Nil and 1st April, 2020 - ₹3.20 Lakh).

(3) Rupee loan of ₹ 474.30 Lakh (31st March, 2021 - ₹ 474.30 Lakh and 1st April, 2020 - ₹ 474.30 Lakh)

(a) Securities provided

(i) Second charge on movable and immovable Panvel assets of the Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Company.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(b) Terms of Interest rate

Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in 78 equal monthly instalment commencing from the date of first disbursement i.e. 31st August, 2018.

(d) The Company has been in default for the repayment of principal amount of ₹ 474.30 Lakh (31st March, 2021 - ₹ 173.02 Lakh and 1st April, 2020 - ₹ 96.09 Lakh).

26.3 Term loans from Other Parties:

(1) Loan of ₹ 5,000.00 Lakh (31st March, 2021 - ₹ 5,000.00 Lakh and 1st April, 2020 - ₹ 5,000.00 Lakh) (Refer Note No. 41)

(i) Secured by first and exclusive charge on land situated at Village Butibori at Nagpur, Maharashtra.

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

(iii) Rate of interest is @ 20% p.a.

(2) Loan of ₹ 2,000.00 Lakh (31st March, 2021 - ₹ 2,000.00 Lakh and 1st April, 2020 - ₹ 2,000.00 Lakh) (Refer Note No. 42)

(i) 'Secured by first and exclusive charge on land of Arshiya Rail Infrastructure Limited situated at Khurja, Bulandshahr, Uttar Pradesh.

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

(iii) Rate of interest is @ 18% p.a.

(3) Rupee term loan of ₹ 2,650.00 Lakh (31st March, 2021 - ₹ 2,650.00 Lakh and 1st April, 2020 - ₹ 2,596.65 Lakh):

(a) Securities provided

(i) Second charge by way of equitable mortgage/hypothecation on the entire immovable and movable property, plant and equipment of the Company on pari-passu basis.

Notes to the financial statements for the year ended 31st March, 2022

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

(b) Terms of Repayment:-

Rupee term loan is repayable in 13 structured quarterly instalments commencing from 31st January, 2018.

(c) The Company has been in default for the repayment of principal amount of ₹ 2,650.00 Lakh. (31st March, 2021 - ₹ 2,650.00 Lakh and 1st April, 2020 - ₹ 1,910.00 Lakh)

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2021 - ₹ Nil and 1st April, 2020 - ₹ 53.35 Lakh).

(3) Rupee term loan of ₹ 2,100.00 Lakh (31st March, 2021 - ₹ 2,100.00 Lakh and 1st April, 2020 - ₹ 2,091.27 Lakh)

(a) Securities provided

(i) The above loan are secured by charge on residual cashflow of the Company.

(ii) The above loans are secured by the immovable property held by one Promoter Director of the Company on pari passu basis.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(iv) The above loans are secured by pledged of shares held by the one Promoter Director of the Company.

(b) Terms of Interest rate

Rate of Interest is @ 18% p.a. compounded half yearly.

(c) The above loan is assigned to Assets Reconstruction Company (ARC) in the financial year 2021-22.

The Company continues to provide interest in line with major terms of earlier sanction letter until the finalisation of the restructuring agreement. Upon finalization of the terms of restructuring with ARC, the Company shall record the effect of the revised terms as to the repayment of principal and interest.

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2021 - ₹ Nil and 1st April, 2020 - ₹ 8.73 Lakh).

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

(26.5) Unsecured Loan Inter Corporate Deposits:

Intercorporate Deposit of ₹ 77 Lakh (31st March, 2021 - ₹ 77 Lakh and 1st April, 2020 - ₹ 77 Lakh) is interest free and repayable on demand.

(26.6) Unsecured Loan from Related Party:

Unsecured loan from related party is interest free and repayable repayable at the end of one year.

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
27. Trade Payables			
Micro and Small Enterprises (Refer Note No. 44)	269.95	148.64	188.37
Others	1,099.02	1,152.97	1,021.98
Total	**1,368.97**	**1,301.61**	**1,210.35**

(A) Trade payable ageing schedule:

Outstanding for followings from due date of payment

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Micro and Small Enterprises			
Not Due	45.74	-	-
Less than 1 year	186.73	121.65	167.66
1 to 2 years	19.58	14.88	20.29
2 to 3 years	9.49	12.11	0.42
More than 3 years	8.41	-	-
Total	**269.95**	**148.64**	**188.37**

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Others			
Not Due	218.33	373.96	207.78
Less than 1 year	182.89	138.74	222.55
1 to 2 years	24.23	36.80	116.73
2 to 3 years	31.82	97.93	1.67
More than 3 years	102.50	5.29	12.00
Total Others	**559.77**	**652.72**	**560.73**
Disputed			
Micro and Small Enterprises			
Less than 1 year	-	-	-
1 to 2 years	-	-	-
2 to 3 years	-	-	-
More than 3 years	-	-	-
Total Micro and Small Enterprises	**-**	**-**	**-**

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Others			
Less than 1 year	42.25	42.25	39.00
1 to 2 years	39.00	35.75	39.00
2 to 3 years	35.75	39.00	375.39
More than 3 years	422.25	383.25	7.86
Total Others	**539.25**	**500.25**	**461.25**

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
28. Lease Liabilities			
Lease Liabilities (Refer Note No.46)	165.91	46.80	79.88
Total	**165.91**	**46.80**	**79.88**

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
29. Other Financial Liabilities			
Financial Liabilities at amortised cost			
Interest accrued and due on borrowings	3,916.04	30,963.66	15,605.04
Interest accrued but not due on borrowings	7,753.63	2,588.93	5,114.98
Interest payable on delayed payments to MSME creditors (Refer Note No. 44)	13.53	7.30	6.58
Deposit from customers	116.67	113.12	412.35
Financial Guarantee Obligations	470.98	437.38	519.83
Payable for capital goods	66.04	77.25	120.10
Dues to employees	208.15	185.49	237.07
Other payables	50.00	50.00	-
Total	**12,595.04**	**34,423.13**	**22,015.95**

Notes to the financial statements for the year ended 31st March, 2022

29.1 Details of default in payment of Interest on secured loans as on 31st March, 2022 are as follows:

(₹ in Lakh)

Year	Banks	Others	Total
FY 2018-19	343.57	45.00	388.57
FY 2019-20	607.96	240.00	847.96
FY 2020-21	717.16	498.00	1,215.16
FY 2021-22	828.35	636.00	1,464.35
Total	**2,497.04**	**1,419.00**	**3,916.04**

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
30. Other Current Liabilities			
Trade advances received (Refer Note No. 59)	2,166.75	2,799.47	1,707.90
Statutory Liabilities			
Statutory dues (Refer note below)	1,627.94	1,244.34	1,060.10
Interest on delayed payment of statutory dues	1,240.48	989.95	810.08
Total	**5,035.17**	**5,033.76**	**3,578.08**

Note:

Statutory dues included Tax deducted at sources (TDS), Goods and Service tax (GST), Provident Fund (PF), Profession Tax (PT) and Employee State Insurance Corporation (ESIC).

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
31. Provision			
Provision for employee benefits (Refer Note No. 45)			
Gratuity	0.46	-	-
Leave encashment	6.36	5.11	7.14
Total	**6.82**	**5.11**	**7.14**

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
32. Liabilities classified as held for sale			
Financial Guarantee Obligations	-	-	17.55
Total	**-**	**-**	**17.55**

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
33. Revenue From Operations		
Free Trade and Warehousing Zone operations		
Consideration on Lease of Land	1,068.66	1,492.95
Conditional Lease Rent	2,109.59	2,500.00
Business Conducting Fees (Refer Note No. 52 & 53)	3,015.09	2,639.44
Total	**6,193.34**	**6,632.39**
34. Other Income		
Bank fixed deposits	-	1.02
Interest income from others	50.23	2.72
Interest income on tax refund	17.70	30.96
Interest income on financial assets carried at amortised cost		
Loan to Subsidiaries	261.15	232.87
Other Non Operating Income		
Financial guarantee income	458.86	554.42
Financial assets carried at amortised cost	1.57	-
Foreign exchange differences (net)	-	3.67
Sundry balances written back (net)	8.98	-
Refund of Property Tax	-	177.48
Miscellaneous income	20.47	51.78
Gain on derecognised of Liability Component	-	16.13
Gain on derecognised of Financial guarantee income	-	18.97
Gain on disposal of Property, plant and equipment (net)	-	0.17
Gain on Lease modification	-	4.66
Total	**818.96**	**1,094.85**
35. Employee Benefits Expense		
Salaries, wages and bonus	1,165.98	813.37
Contribution to provident and other funds	27.04	23.92
Share based payments (Refer Note No. 57)	86.92	107.67
Staff welfare expenses	19.19	16.17
Total	**1,299.13**	**961.13**

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
36. Finance Cost		
Interest expense on borrowings	8,325.40	14,606.88
Unwinding Interest on Lease Liabilities	59.14	12.84
Interest expense on MSMED vendors	6.24	2.83
Interest expense on statutory dues	250.55	179.90
Other borrowing costs	5.44	9.93
Total	**8,646.77**	**14,812.38**
37. Depreciation and Amortisation Expense		
Depreciation on Property, plant and equipment	713.46	1,045.65
Depreciation on Right of use assets (Refer Note No.46)	101.94	26.88
Amortisation of intangible assets	217.14	217.14
Total	**1,032.54**	**1,289.67**
38. Other Expenses		
Electricity charges	110.41	116.56
Rent	0.82	2.20
Repairs and maintenance:		
- Building	2.19	8.59
- Plant and Machinery	50.61	32.42
- Others	30.67	29.75
Insurance	3.11	4.23
Rates and taxes	2.49	2.71
Communication expenses	14.00	18.46
Travelling and conveyance expenses	2.72	5.02
Vehicle expenses	20.34	16.38
Printing and stationery	3.44	2.32
Legal and professional fees	54.72	56.09
Security charges	52.24	64.22
Auditor's remuneration:		
- Audit Fees	54.00	54.00
- Limited Review Fees	15.00	15.00
- Certification fees	-	1.10

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Advertisement and Sales Business Promotion expenses	3.61	6.30
Allowance for doubtful debts	28.58	8.50
Bad debts	1,481.04	-
Foreign exchange differences (net)	14.55	-
Director sitting fees	3.50	3.85
Cost Recovery and other Charges	33.37	39.00
Miscellaneous expenses	34.31	43.66
Sundry balance written off (net)	4.48	989.81
Discarding/written off of Intangible assets under development	60.00	-
Loss on sale of subsidiary (Refer Note No. 54 (c))	1,040.89	-
Total	**3,121.09**	**1,520.17**
39. Exceptional Items		
Gain on settlement of debts (net) (Refer Note No. 43)	(47,244.27)	-
Total	**(47,244.27)**	**-**

Notes to the financial statements for the year ended 31st March, 2022

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

(₹ in Lakh)

S. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
(i)	Disputed Income Tax demands	8,444.43	8,444.43	8,444.43
(ii)	Disputed Service Tax demands	62.68	62.68	62.68
(iii)	Disputed Local Body Tax demands	875.49	160.33	160.33
(iv)	Claims against the Company not acknowledged as debts	2,292.48	2,292.48	2,155.68
(v)	Bond cum legal undertaking	5,196.00	5,196.00	5,196.00
(vi)	Bank Guarantees	15.00	15.00	15.00
(vii)	Corporate Guarantees given (refer below note)	18,500.00	18,500.00	18,500.00

Note:

The Company had given guarantees to a lender of ₹ 185 Crore on behalf of Mira Supply Chain Management Private Limited when it was subsidiary till January 2018, of the Company. The Company charged guarantee commission @ 0.5% per annum on outstanding loan amount of ₹ 2,965.11 Lakh.

41 The Company had availed loan from a Public Financial Institution (PFI) against security of land situated at Nagpur. On default of loan covenants, the PFI had taken over possession of secured assets i.e. land situated at Nagpur. During the year ended 31st March, 2018, the PFI agreed to settle their outstanding loan constituting principle and interest of ₹ 16,700.00 Lakh by signing of Settlement Terms. Settlement Terms involves payment of ₹ 5,000.00 Lakh and balance amount of ₹ 11,700.00 Lakh, by way of allotment of Optionally Convertible Redeemable Preference Shares - V (OCRPS - V), convertible upto 15,50,000 equity shares of the Company at the option of the PFI and necessary effect has been given in the books of accounts during the year ended 31st March, 2018. As per shareholder approval, on dated 29th January 2018, the Company has approved allotment of 11,70,000 OCRPS – V and the same was converted into 15,50,000 Equity shares on 22nd February, 2018 as per Settlement Terms.

During the pendency of litigation, the PFI has assigned their debts to Edelweiss Asset Reconstruction Company Ltd (EARC) during 31st March, 2019. Upon acknowledgement of receipts of outstanding of ₹ 5,000.00 Lakh dues under Settlement Terms, the Court has disposed off the said litigation. In line with High court order, the Company recorded liabilities in name of EARC for payment made by them to PFI. Pursuant to said assignment of debt, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges. The Company continues to provide interest in line with major terms negotiated with EARC in case of other agreements. Upon finalization of the terms of restructuring with EARC, the Company shall record the effect of the revised terms as to the repayment of principal and interest (including penal interest) in the period in which it is completed.

With respect to this borrowing, EARC has issued SARFAESI Notice for recovery of dues and the matter is under discussion with EARC for debt settlement. Subsequent to the year ended 31st March 2022, EARC under SARFAESI process, has sold said land. Details of the transaction are awaited from EARC. Upon receipt of details the Company will give necessary impact in the books of account.

42 During the year ended 31st March, 2019, the Company has defaulted in payment of ₹ 2,000.00 Lakh as per Consent Terms signed with one of the Non-Banking Financial Company (NBFC). During the pendency of litigation, the said NBFC has assigned its debt to Edelweiss Asset Reconstruction Company (EARC) during the year end 31st March, 2020 against payment of outstanding amount under the said Consent Terms. Upon acknowledgement of payment from EARC, the High Court of Bombay disposed off the case. In line with High Court of Bombay order, the Company recorded liabilities in name of EARC payment made by them to NBFC. Pursuant to said assignment of debt, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges.

The Company continues to provide interest in line with major terms negotiated with EARC until the finalisation of the restructuring agreement. Upon finalization of the terms of restructuring with EARC, the Company shall record the effect of the revised terms as to the repayment of principal and interest (including penal interest) in the period in which it is completed. With respect to this borrowing, EARC has issued SARFAESI Notice for recovery of dues and the matter is under discussion with EARC for debt settlement.

Notes to the financial statements for the year ended 31st March, 2022

43 Settlement of Debts

43.1 During the year ended 31st March, 2022, the Company has received Settlement of Debt letter (settlement) dated 4th March, 2022 from Edelweiss Assets Reconstruction Company Limited (EARC) with Cut-off date as on 30th September 2021. EARC has settled its existing dues at ₹ 38,510.00 Lakh as the Settlement Amount. The Company has partially complied with conditions precedent of the settlement. The Company is in discussion with EARC for pending compliances of the conditions precedent, further, there is no communication about revocation of settlement from EARC.

In view of the above, accounting treatment of the settlement has been given in the books during the year ended 31st March, 2022. The Company has recorded the gain on settlement as an exceptional item of ₹ 46,698.57 Lakh (comprising of principal of ₹ 21,567.05 Lakh and interest of ₹ 25,131.52 Lakh). Further interest expenses accounted in the books for the nine months ended 31st December 2021 has been reversed during the year ended 31st March 2022. Accordingly, interest expenses of current year ended 31st March 2022 has been recorded after giving impact of settlement, hence interest expenses during the year ended 31st March 2022 is post net off reversal.

43.2 The Company has defaulted in agreed repayment schedule of original sanction letter dated 27th June, 2017. During the year ended 31st March, 2022, the Company has received Settlement of Debt letter (settlement) dated 15th March, 2022 from Axis Bank. Axis Bank has settled its existing dues at ₹ 1,471.41 Lakh as the Settlement Amount.

In view of the above, accounting treatment of the settlement has been given in the books during the year ended 31st March, 2022. The Company has recorded the gain on settlement as an exceptional item of ₹ 656.25 Lakh (comprising of interest).

43.3 The Company has defaulted in agreed repayment schedule of original sanction letter dated 26th March, 2019. During the year ended 31st March, 2022, the Company has entered Terms of Settlement (settlement) on 4th March, 2022 with a Non Banking Financial Institution (NBFC). The NBFC has settled its existing dues at ₹ 850 Lakh as the Settlement Amount.

In view of the above, accounting treatment of the settlement has been given in the books during the year ended 31st March, 2022. The Company has recorded the loss on settlement as an exceptional item of ₹ 110.55 Lakh.

44 Disclosures under Micro, Small And Medium Enterprises:

(₹ in Lakh)

S. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
a)	Principal amount due and remaining unpaid	269.95	148.64	188.37
b)	Interest due thereon remaining unpaid	13.53	7.30	6.58
c)	Interest paid by the Company in terms of Section 16 of the MSMED Act, 2016, along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-	-
e)	Interest accrued and remaining unpaid	13.53	7.30	6.58
f)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises.	-	-	-

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

Notes to the financial statements for the year ended 31st March, 2022

45 Employee Benefits

45.1 Disclosure pursuant to Indian Accounting Standard (IND AS) 19 – Employee Benefits

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognised as expenses for the years are as under:

(₹ in Lakh)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Employer's Contribution to Provident Fund	4.51	3.98
Employer's Contribution to Pension Scheme	10.24	9.05
Employer's Contribution to ESIC	0.27	0.36

(b) Brief descriptions of the plans

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

(c) Leave Encashment:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Provision recognised in the Balance Sheet			
Current Provision as at the end of the year	6.36	5.11	7.14
Non Current Provision as at the end of the year	20.34	18.11	24.84
Provision recognised in the Balance Sheet	**26.70**	**23.22**	**31.98**

(d) Defined benefit plan – Gratuity:

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

(₹ in Lakh)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2012-14) Ult	Indian Assured lives Mortality (2012-14) Ult
Discount rate	6.10%	5.65%
Expected return on plan assets	5.60%	4.80%
Salary Escalation Rate	5.00%	5.00%
Withdrawal Rate	20.00%	19.00%
Retirement Age	58 Years	58 Years

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
II. Change in Present value of defined benefit obligations		
Provision as at the beginning of the year	69.86	82.86
Interest cost	3.94	4.01
Current service cost	9.07	7.44
Benefits paid	(8.68)	(11.37)
Acquisition adjustments	(0.03)	(11.15)
Actuarial (gain)/loss on obligations	6.65	(1.93)
Provision as at the end of the year	80.81	69.86
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	18.10	17.14
Expected return on plan assets	1.02	0.96
Actual Enterprise's Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	19.12	18.10
IV. Actual return on plan assets		
Expected return on plan assets	1.02	0.96
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	1.02	0.96
V. Provision recognised in the Balance Sheet		
Provision as at the end of the year	80.81	69.86
Fair value of plan assets as at the end of the year	19.12	18.10
Provision recognised in the Balance Sheet	61.69	51.76
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VII. Amount recognised in the Statement of Profit and Loss		
Current service cost	9.07	7.44
Interest cost	3.94	4.01
Expected return on plan assets	(1.02)	(0.96)
Net actuarial (gain)/loss to be on obligation	-	-
Expense recognised in Statement of Profit and Loss	11.99	10.49
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	(1.35)	(0.13)
Due to Change in demographic assumption	0.04	-
Due to Change in experience assumption	7.96	(1.80)
Expected return on plan assets	-	-
Total remeasurement recognised in OCI	6.65	(1.93)
IX. Balance Sheet reconciliation		
Opening net provision	51.76	65.72
Expenses recognised in Profit & Loss	11.99	10.49
Actual Employer Contribution	(8.68)	(11.37)
Acquisition adjustments	(0.03)	(11.15)
Total Remeasurement recognised in OCI	6.65	(1.93)
Closing net provision	61.69	51.76

Notes to the financial statements for the year ended 31st March, 2022

(e) Salary escalation assumption has been set in discussions with the enterprise based on their estimates of overall long-term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

45.2 Sensitivity analysis:

(₹ in Lakh)

Particulars	**Changes in assumptions**	**Effect on Gratuity obligation**
For the year ended 31st March, 2022		
Salary growth rate	+0.50%	82.29
	-0.50%	79.37
Discount rate	+0.50%	79.39
	-0.50%	82.28
For the year ended 31st March, 2021		
Salary growth rate	+0.50%	71.23
	-0.50%	68.52
Discount rate	+0.50%	68.54
	-0.50%	71.23

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

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

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

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

(c) Salary risk - The present value of the defined plan provision is calculated by reference to the future salaries of plan participants. As such, as increase in the salary of the plan participants will increase the plan's provision.

45.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 3 years (31st March, 2021 - 5 years).

46 Leases

(i) Movment of carrying value of right of use of assets

(₹ in Lakh)

Particulars	**Building**	**Plant & Machinery**	**Furniture & Fixtures**
Balance as at 1st April 2020	**69.71**	**94.70**	**-**
Add: Addition during the year	-	-	100.25
Less: Modification during the year	(69.71)	-	-
Less: Depreciation charge for the year	-	(25.23)	(1.65)
Balance as at 31st March 2021	**-**	**69.47**	**98.60**
Add: Addition during the year	521.36	25.07	-
Less: Modification during the year	-	-	-
Less: Depreciation charge for the year	(56.53)	(28.71)	(16.70)
Balance as at 31st March 2022	**464.83**	**65.83**	**81.90**

Notes to the financial statements for the year ended 31st March, 2022

(ii) Movment of Lease liabilities

(₹ in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Opening Balance	**177.54**	**174.93**
Add: Addition during the year	527.50	100.25
Add: Interest expenses on unwinding lease liabilities	59.14	12.84
Less: Payment of lease liabilities	(101.57)	(36.11)
Less: Modification during the year	-	(74.37)
Closing Balance	**662.61**	**177.54**

(iii) Maturity analysis of lease liabilities on undiscounted basis and breakup of lease liabilities included in the Balance Sheet

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Future Non-Cancellable minimum lease commitments			
Within one year	198.59	57.76	97.91
More than one year but not less than five years	673.01	155.08	108.87
More than five years	1.00	21.64	-
Total undiscounted lease liabilities	**872.60**	**234.48**	**206.78**
Lease liabilities included in the Balance sheet			
Current Lease liabilities	165.91	46.80	79.88
Non-current Lease liabilities	496.70	130.74	95.05
Total	**662.61**	**177.54**	**174.93**

47 Preparation of financial statements on " Going Concern" basis

The management believes that Government's focus on logistics infrastructure sector, which is currently one of the fastest growing sector, will help the company to expand its business. The recent amendments in the SEZ policy, will enable the Company to offer additional value propositions to its clients. These macro factors coupled with other economic benefits will improve the Company's ability to expand the client base multi-fold. Further the company has appointed a global consulting firm for business development of its FTWZ business. This will improve the company's ability for global outreach to increase its customer base.

The Company is working on debt resolution plan with lenders and lenders are also considering Company's request appropriately. This will minimize various litigation matters. The Company is also working with all its lenders on re-alignment of existing debt of the Company. The Company has received letters for Settlement of Debt from all major lenders to reduce debt at sustainable level. Hence the Company is optimistic that the proposed re-alignment of debt with Lenders will improve overall cash flows of the Company.

The management's plan as a developer of the business indicate that asset light business model through monetization will help the company to improve cashflow of the Company. Monetisation will happen periodically and staggered manner, but significant payments will be received to streamline the cash flows.

Forward sale and lease-back arrangement with Ascendas will provide capital cushion for future growth. Ascendas provided an attractive valuation for warehouses in past and on similar lines, it is expected for future warehouses.

Notes to the financial statements for the year ended 31st March, 2022

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.

In addition to the above, various resource optimization initiatives undertaken by the Company, can lead to stabilization and revival. Therefore, the Company continues to prepare the financial statements on Going Concern basis.

48 Corporate Guarantees

The Company has issued a corporate guarantee of ₹ 40,700.44 Lakh (31st March, 2021 - ₹ 35,732.23 Lakh and 1st April, 2020 - ₹ 31,378.45 Lakh) to the lenders of Arshiya Northern FTWZ limited ("ANFL"), a subsidiary Company. This guarantee has been invoked by the lenders since ANFL had defaulted in servicing its borrowings towards principal and interest. The Company carried out fair valuation of this corporate guarantee through an independent chartered accountant firm and as per their report the value of security created in favour of the lender is higher than the total liability towards borrowing. Accordingly, no provision is required towards the guarantee so invoked.

49 Disclosure and accounting treatment of Scheme of Arrangement

The Board of Directors of the Company at their meeting held on 24th May, 2018, had approved a 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.

The said Scheme has been approved by shareholders, unsecured and secured creditors of the respective companies.

National Company Law Tribunal, Mumbai Bench (NCLT) has approved Scheme of Arrangement (Scheme) vide it's order dated 21st January 2022. The Scheme became effective from 2nd February 2022. The Appointed date of the scheme is 1st April 2019. Pursuant to the Scheme:

(a) Domestic Business of the Company comprising of 43.23 acre of land situated at Khurja and other assets and liabilities pertaining to domestic business has been demerged from the Company into Resulting company i.e. Arshiya Rail Infrastructure Limited ("ARIL"). All assets and liabilities of the demerged undertakings have been derecognised at their respective carrying values and the net differential amounts of ₹ 7,561.85 lakh is adjusted to the retained earnings.

(₹ in Lakh)

Particulars	As at 1st April, 2019
Assets	
Property, Plant and Equipment	7,499.35
Trade Receivables	64.72
Total Assets (A)	**7,564.07**
Liabilities	-
Other Current Liabilities	2.22
Total Liabilities (B)	**2.22**
Net assets transferred (A-B=C)	**7,561.85**

(b) Investments amount of ₹ 86,088.63 Lakh and inter-company balances (loan) of ₹ 16,561.21 Lakh held in ARIL by the Company stand cancelled and adjusted in retained earnings.

(c) As a above result, ARIL ceased to be subsidiary and AMD ceased to be step-down subsidiary of the Company.

(d) The Scheme has been accounted for as per the accounting treatment approved by the NCLT read with applicable accounting standards prescribed under section 133 of the Companies Act, 2013.

Notes to the financial statements for the year ended 31st March, 2022

(e) Accumulated balances (losses) in retained earnings of ₹ 1,77,705.55 Lakh as on appointed date are utilised against the securities premium account of the Company, resulting in to retained earnings reduced to NIL as on the appointed date.

(f) Upon the scheme becoming effective and in consideration of the demerger, for every 2 (two) fully paid-up equity shares of the Company, the Resulting Company shall issue and allot to each member of the Company as on the Record Date i.e. 4th March 2022, 1 (one) fully paid-up equity share of the ₹ 2/- each of the Resulting Company (ARIL). These equity shares of ARIL are proposed to be listed, on the stock exchanges where the equity shares of the Company are listed, on receipt of regulatory approvals.

(g) Reconciliation of securities Premium and Retained Earnings as at 1st April, 2019:

(₹ in Lakh)

Particulars	Securities Premium Account	Retained Earnings
Balance as on 31st March 2019 before restatement	**2,33,072.16**	**(67,493.86)**
Less: Land transferred under demerger scheme	-	(7,499.35)
Less: Other assets and liabilities of Domestics Warehousing Division (net)	-	(62.50)
Less: impairment of investment in Arshiya Rail Infrastructure Limited	-	(86,088.63)
Less: impairment of loan given to Arshiya Rail Infrastructure Limited	-	(16,561.21)
Less/Add: Adjustment as per Demerger Scheme	(1,77,705.55)	1,77,705.55
Balance as on 1st April 2019 after restatement	**55,366.61**	**-**

49.1 Post NCLT order dated 21st January,2022, one of the lenders has appealed against the said order at the Hon'ble National Company Law Appellate Tribunal (NCLAT). Pursuant to an order dated 4th March 2022, NCLAT has ordered to maintain 'status quo' in the matter and hence the matter is now 'sub - judice'. The Company has appealed for setting aside the said order of 4th March 2022 and requested the NCLAT to allow the Company to complete the formalities such as allotment procedures of the demerger and listing of the shares of the Resulting Company. As the scheme is in the interest of stakeholders of both the companies, the Company shall be pursuing the appeal. Based on the legal opinion obtained, the Company has continued to prepare the financial statements for the year ended 31st March 2022 after giving accounting effects of the scheme as per the NCLT order.

50 Maharashtra VAT Refund Receivable

As per the Notification dated 16th May, 2013 issued by Government of Maharashtra, MVAT exemption /refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Company has claimed refund of ₹1,684.55 Lakh in respect of transactions prior to record date, as the Company is of the view that the State Government has exempted it from Local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra. The Company has filed an appeal before High Court of Bombay challenging the Constitutional validity of MVAT on various grounds and has claimed refund of ₹1,108.80 Lakhs. The Appeal has been admitted, issues are framed and final hearing is pending. Further MVAT refund claim of ₹ 575.75 Lakhs is pending with Sales Tax Department as the matter is of similar case. Accordingly, these financial statements reflect a sum of ₹1,684.55 Lakhs as refund receivable on account of MVAT. In case the refund is not granted, the necessary adjustment entries shall be recorded in the year in which finaliy is reached.

51. Post demerger, the Company's activities during the year revolve around "Developing and Operating Free Trade & Warehousing Zone (FTWZ) and Special Economic Zone (SEZ)" with in "India". Considering the nature of the Company's business and operations, as well as, based on reviews of operating results by the chief operating decision maker there is only one reportable segment in accordance with the requirement of Ind AS 108 "Operating Segment" prescribed under Companies (Indian Accounting Standards) Rules 2015.

Notes to the financial statements for the year ended 31st March, 2022

51.1 Entity-wide disclosure required by IND AS 108 are made as follows:

(a) Revenue from external sales and services

(₹ in Lakh)

Geography	**Year Ended 31st March, 2022**	**Year Ended 31st March, 2021**
India	6,193.34	6,632.39
Outside India	-	-
Total	**6,193.34**	**6,632.39**

(b) Segment Assets

All assets are within India only.

51.2 Information about major customers:

Revenues from three customers aggregating to ₹ 5,679.09 Lakh (31st March, 2021 ₹ 6,430.44 Lakh) exceeds 10% or more.

52 The Company has entered into Business Conducting and Services Agreement with Arshiya Lifestyle Limited (ALL) (wholly owned subsidiary) in relation to operation of Six Warehouses taken on sub-lease from Ascendas Panvel FTWZ Limited ("APFL") and operation of Container Yard and Open Yard owned by the Company. The aforesaid Business Conducting and Services Agreement is to be read in the overall context of Lease Deed dated 3rd February, 2018, Sub-Lease Deed dated 3rd February, 2018 and other agreements and documents entered into in connection with lease of Six Warehouses by the Company, being owner, to APFL and Sub-Lease of the said Six Warehouses by APFL to ALL and transfer of all rights and obligations under the Existing Unit Holder Agreements entered into by the Company to and in favour of ALL. The Company for the administration and operational expediency entrusted ALL to carry out operating and managing the open yard, the container yard and warehouses whereby ALL agreed to undertake and conduct the business of operating and managing the open yard and the container yard and warehouses and provide other services by utilizing the infrastructure facilities provided by the Company. ALL shall also received all the incomes generated from the warehouses and storage yard, bearing the cost and expenses to operate and maintain the warehouses and storage yard. Pursuant to the aforesaid Business Conducting and Services Agreement, the ALL will pay 99% of excess revenue / Total Income over all the expenses / charges / provisions to the Company as Business Conducting Fees. Accordingly, the Company has recognised as Business Conducting fees ₹ 2,503.84 Lakh during the year ended 31st March, 2022 (31st March 2021 - ₹ 2,639,44 Lakh).

53 The Company has entered into Business Conducting and Services Agreement with Arshiya Panvel FTWZ Services Private Limited (APFTWZ) in relation to operation of Warehouses 07 taken on sub-lease from Anomalous Infra Private Limited ("APIL") and operation of Container Yard and Open Yard owned by the Company. The aforesaid Business Conducting and Services Agreement is to be read in the overall context of Lease Deed dated 26th July, 2019 and addendum dated 28th March, 2022, Sub-Lease Deed dated 28th March, 2022 and other agreements and documents. The Company for the administration and operational expediency entrusted APFTWZ to carry out operating and managing the open yard, the container yard and warehouses whereby APFTWZ agreed to undertake and conduct the business of operating and managing the open yard and the container yard and warehouses and provide other services by utilizing the infrastructure facilities provided by the Company. APFTWZ shall also received all the incomes generated from the warehouses and storage yard, bearing the cost and expenses to operate and maintain the warehouses and storage yard. Pursuant to the aforesaid Business Conducting and Services Agreement, the APFTWZ will pay 99% of excess revenue / Total Income over all the expenses / charges / provisions to the Company as Business Conducting Fees. Accordingly, the Company has recognised as Business Conducting fees ₹ 511.25 Lakh during the year ended 31st March, 2022 (31st March 2021 - ₹ Nil).

54 Investments

(a) The Company's non-current investment in Arshiya Northern FTWZ Limited's (ANFL, a subsidiary of the Company) and its loans dues are aggregating to ₹ 60,027.82 Lakh. Based on ANFL, debt restructuring, business development efforts, revival plans with cost optimisation and in-principle term sheet signed with Ascendas Property Fund Trustee Pte. Ltd. ("Ascendas") for monetisation of warehouse, an assessment was carried out by the management of the Company and hence no provision for impairment on it's investment and loan to ANFL is considered necessary as on 31st March 2022.

(b) During the Current year the Company has disposed 100% shareholding in the Company namely AMD Business Support Services Private Limited..

Notes to the financial statements for the year ended 31st March, 2022

(c) During the Current year the Company has disposed 100% shareholding in the Company namely Anomalous Infra Private Limited and loss on sale of subsidiary recognised in other expenses. (Refer note no. 56)

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

56 During the year ended 31st March 2022, the Company has sold it's investment in 100% shares of Anomalous Infra Private Limited (AIPL) which owns a 3.25 Lakh square feet warehouse at the Arshiya Free Trade Warehousing Zone, Panvel to Ascendas Property Fund Trustee Pte. Limited ("Acendas"), this operational warehouse is the seventh warehouse acquired by APFI from Arshiya group. It comprises, inter alia, additional deferred consideration of up to ₹ 2,122.60 Lakh to be paid over the next four years, subject to the achievement of certain performance milestones as per transaction documents.

Similar to the previous arrangement for the six acquired warehouses by APFI, this newly acquired seventh warehouse is also operated by a step-down subsidiary of the Company for a period of six years which will continue to give the Company a spread on lease revenue as well as additional Value-added services (VAS) income over and above the payout received by the above monetisation.

57 Share Based Payments

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

The Board of Directors of the Company have approved grant of 12,00,000 and 20,00,000 Employee Stock Options to some of the eligible and deserving employees of the Company under the Scheme, 2019 on 30th June 2021 and 13th November, 2021 respectively.

The fair value of stock options has been determined at the date of grant of the stock options. This fair value, adjusted by the Company's estimate of the number of stock options that will eventually vest, is expensed over the vesting period.

The fair values were calculated using the Black-Scholes Call Option Pricing Model for tenure based stock options. The inputs to the model include the share price based on the market price at date of grant, exercise price, expected life of options, annual volatility, expected dividends and the risk free rate of interest. Annual volatility has been calculated using median of comparable peers (to the extent data available). All options are assumed to be exercised within 1 year from the date of vesting period.

The assumptions used in the calculations of the charge in respect of the stock options granted are set out below:

(₹ in Lakh)

Particulars	**ESOP 2019**	**ESOP 2019**	**ESOP 2019**
No. of Options	20,00,000	12,00,000	17,50,000
Exercise Price (in ₹)	2.00	2.00	2.00
Stock Price (in ₹)	31.00	34.30	17.00
Implied Volatility (in %)	64.50%	64.50%	64.52%
Average Risk free rate (in %)	4.72%	4.68%	5.20%
Time of Maturity (in Years)	3.00	3.00	1.50
Dividend Yield (in %)	0%	0%	0%
Average Fair value of Options (in ₹)	29.18	32.49	15.39
Option Granted Date	13th November 2021	30th June 2021	30th January 2020
Vesting Date	13th November 2022, 13th November 2023 and 13th November 2024	30th April 2022, 30th April 2023 and 30th April 2024	29th January 2021

Notes to the financial statements for the year ended 31st March, 2022

Based on the above, the Company recognized total expenses of ₹ 86.92 lakh (31st March, 2021- ₹ 107.67 lakh) related to above equity settled share-based payment transactions. During the year ended 31st March, 2022, the Company as holding company transferred above cost of ₹ 260.75 lakh to its subsidiaries.

During the previous year ended 31st March 2021, the Company has allotted 17,00,000 equity shares to eligible employees upon exercised under the Arshiya Limited Employee Stock Option Scheme 2019.

Movement of share options during the year as below:

(In Numbers)

Geography	**Year Ended 31st March, 2022**	**Year Ended 31st March, 2021**
Opening Balance	-	17,50,000
Add: Options granted	32,00,000	-
Less: Options Lapsed	-	(50,000)
Less: Options exercised	-	(17,00,000)
Closing Balance	**32,00,000**	**-**

58 Earnings per share:

Geography	**Year Ended 31st March, 2022**	**Year Ended 31st March, 2021**
Profit/(Loss) for the year (₹ in Lakh)	40,157.04	(10,856.11)
Add: Share based payment (₹ in Lakh)	86.92	-
Total Profit/(Loss) for the year for diluted EPS (₹ in Lakh)	40,243.96	(10,856.11)
Number of equity shares		
Weighted average number of equity shares (Number)	26,22,75,915	25,86,51,257
Add: Employee Stocks Options (ESOP)	29,89,098	-
Total Weighted average number of equity shares/ESOP	26,52,65,013	25,86,51,257
Nominal value per share (Amount in ₹)	2.00	2.00
Earnings per share (Amount in ₹)		
Basic	15.31	(4.20)
Diluted	15.17	(4.20)

59 Related party disclosures, as required by Indian Accounting Standard 24 "Related Party Disclosures" (IND AS-24) as given below:

S. No.	**Name of the entity**	**Country of Incorporation**	**Proportion of interest (including beneficial interest)/ voting power (either directly/indirectly or through subsidiaries)**		
			31st March, 2022	**31st March, 2021**	**1st April, 2020**
	Direct Subsidiaries:				
(i)	Arshiya Northern FTWZ Limited	India	100%	100%	100%
(ii)	Arshiya Technologies (India) Private Limited	India	100%	100%	100%
(iii)	Arshiya Lifestyle Limited	India	100%	100%	100%
(iv)	Arshiya Logistics Services Limited	India	100%	100%	100%

Notes to the financial statements for the year ended 31st March, 2022

(v)	Anomalous Infra Private Limited (till 28th March, 2022)	India	Nil	100%	100%
(vi)	Arshiya Northern Projects Private Limited	India	100%	100%	100%
(vii)	Arshiya Infrastructure Developers Private Limited	India	100%	100%	100%
(viii)	Unrivalled Infrastructure Private Limited	India	100%	100%	100%
(ix)	Arshiya Data Centre Private Limited	India	100%	100%	100%
(x)	AMD Business Support Services Private Limited (w.e.f. 8th April, 2020 to 13th August, 2021)	India	Nil	100%	Nil
	Indirect Subsidiaries:				
	Held through Arshiya Logistics Services Limited:				
(xi)	Arshiya 3PL Services Private Limited	India	100%	100%	100%
(xii)	Arshiya Panvel Logistics Services Private Limited	India	100%	100%	100%
(xiii)	Arshiya Distribution Hub Private Limited	India	100%	Nil	Nil
	Held through Arshiya Lifestyle Limited:				
(xiv)	Arshiya Panvel FTWZ Services Private Limited	India	100%	100%	100%

(I) Person having significant influence over the Company

Mr. Ajay S Mittal – Chairman and Managing Director

Ms. Archana A Mittal – Joint Managing Director

(II) Key Management Personnel

Mr. Dinesh Kumar Sodani - Chief Financial Officer

Ms. Ratika Gandhi - Company Secretary and Compliance Officer (w.e.f. 12th February, 2021)

Ms. Yesha Maniar - Company Secretary and Compliance Officer (w.e.f. 25th August, 2020 to 31st October, 2020)

Ms. Savita Kodian - Company Secretary and Compliance Officer (till 26th April, 2020)

(III) Relative of Person having significant influence over the Company

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

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

Laxmipati Balaji Supply Chain Management Limited
Arshiya Rail Infrastructure Limited #
AMD Business Support Services Private Limited (w.e.f. 14th August, 2021)

#Pursuant the Scheme of Arrangement (Scheme) approved by National Company Law Tribunal, Mumbai Bench vide it's order dated 21st January 2022, the Scheme became effective by filing the certified copy of order with Registrar of Companies on 2nd February 2022 with the Appointed date of the scheme is 1st April 2019. Accordingly, Arshiya Rail Infrastructure Limited is ceased to be subsidiary of Arshiya Limited from the effective date.

Notes to the financial statements for the year ended 31st March, 2022

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

(₹ in Lakh)

Nature of transactions	Name of the Party	31st March, 2022	31st March, 2021
Revenue from operations	Arshiya Lifestyle Limited	2,503.84	2,639.44
	Arshiya Panvel FTWZ Services Private Limited	511.25	-
	Anomalous Infra Private Limited	3.00	3.00
	Arshiya Data Centre Private Limited	3.00	3.00
Income billed to customer on behalf of the Subsidiary Company	Arshiya Lifestyle Limited	221.85	1,335.00
Advance Finance Lease Income	Anomalous Infra Private Limited	-	198.95
	Arshiya Data Centre Private Limited	1,059.66	1,285.00
Interest income	AMD Business Support Services Private Limited	50.23	-
Unwinded Interest Income on Loan to subsidiaries	Arshiya Lifestyle Limited	260.82	232.87
	Arshiya Panvel FTWZ Services Private Limited	0.34	-
Financial Guarantees Income	Arshiya Rail Infrastructure Limited	306.28	363.26
	Arshiya Northern FTWZ Limited	56.05	56.05
	Arshiya Lifestyle Limited	75.98	102.56
	Arshiya Panvel FTWZ Services Private Limited	5.55	-
	Anomalous Infra Private Limited	-	17.55
Gain on derecognised of Financial guarantee income	Arshiya Rail Infrastructure Limited	-	18.97
Reimbursement/Allocation of common costs and expenses recovered (Refer Note No. 62)	Arshiya Rail Infrastructure Limited	122.44	145.59
	Arshiya Northern FTWZ Limited	135.12	80.74
	Arshiya Lifestyle Limited	357.14	616.61
	Anomalous Infra Private Limited	6.85	211.50
	Arshiya Data Centre Private Limited	247.98	135.00
	Arshiya Panvel Logistics Services Private Limited	45.02	-
	Laxmipati Balaji Supply Chain Management Limited	23.96	-
Payment of Lease Rent	Arshiya Northern FTWZ Limited	57.76	36.12
	Arshiya Rail Infrastructure Limited	5.00	-
Payment of Electricity expenses	Laxmipati Balaji Supply Chain Management Limited	104.47	19.73
Disposal of Property, Plan and Equipment	Laxmipati Balaji Supply Chain Management Limited	-	334.83
Remuneration paid to Key Managerial Person	Mr. Dinesh Kumar Sodani	53.97	51.70
	Ms. Savita Kodian	-	4.68
	Ms. Ratika Gandhi	23.32	3.12
ESOP exercised at face value ₹ 2/-	Mr. Dinesh Kumar Sodani	-	5.00

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Nature of transactions	Name of the Party	31st March, 2022	31st March, 2021
Loans and advances given	Arshiya Northern FTWZ Limited	329.06	971.31
	Arshiya Technologies (India) Private Limited	0.59	1.41
	Arshiya Logistics Services Limited #	590.10	526.02
	Anomalous Infra Private Limited	7.66	1.70
	Unrivalled Infrastructure Private Limited	3.10	0.04
	Arshiya Infrastructure Developers Private Limited	0.42	0.44
	Arshiya Northern Projects Private Limited	5.67	6.42
	Arshiya Panvel FTWZ Services Private Limited	3,105.44	0.04
	Arshiya Panvel Logistics Services Private Limited	124.64	0.05
	Arshiya Data Centre Private Limited	7.00	0.53
	Arshiya 3PL Services Private Limited	6.37	114.36
	AMD Business Support Services Private Limited	1,335.67	2,518.75
Loans and advances given repaid/adjusted	Arshiya Northern FTWZ Limited	447.09	635.99
	Arshiya Technologies (India) Private Limited	-	0.09
	Arshiya Logistics Services Limited #	590.10	526.02
	Anomalous Infra Private Limited	7.66	23.69
	Unrivalled Infrastructure Private Limited	-	0.04
	Arshiya Panvel FTWZ Services Private Limited	131.85	0.04
	Arshiya Panvel Logistics Services Private Limited	132.65	0.05
	Arshiya Data Centre Private Limited	6.00	-
	Arshiya 3PL Services Private Limited	179.77	22.37
	AMD Business Support Services Private Limited	18.00	-
Loans and advances taken	Mr. Ajay S Mittal	289.81	395.39
	Ms. Archana A Mittal	144.80	608.60
	Arshiya Rail Infrastructure Limited	553.14	1,426.37
Loans and advances taken repaid/adjusted	Mr. Ajay S Mittal	235.10	422.01
	Ms. Archana A Mittal	335.31	540.90
	Arshiya Rail Infrastructure Limited	460.10	416.80
Assignment of Loan taken *	Arshiya Rail Infrastructure Limited	2,432.09	-

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Nature of transactions	Name of the Party	31st March, 2022	31st March, 2021
Investment in Subsidiary	AMD Business Support Services Private Limited	-	1.00
Deemed Equity in Subsidiary	Arshiya Lifestyle Limited	750.18	6.46
Investment in Subsidiary sold to	Arshiya Rail Infrastructure Limited	1.00	-
Corporate guarantees given	Arshiya Lifestyle Limited	589.65	714.73
	Arshiya Panvel FTWZ Services Private Limited	13,313.91	-
Corporate guarantees reduced	Arshiya Lifestyle Limited	6,067.48	5,612.96
	Arshiya Panvel FTWZ Services Private Limited	15.06	-
	Anomalous Infra Private Limited	7,000.00	-

As per the arrangements, inter-alia, entered into between the Company, Arshiya Logistics Services Limited (ALSL) and Arshiya Lifestyle Limited (ALL), the balance payable to ALSL has been adjusted against balance receivable to ALL and the net payable to ALL has been disclosed.

* During the year ended 31st March, 2022, loan taken from Arshiya Rail Infrastructure Limited is assigned to AMD Business Support Services Private Limited which is 100% wholly own subsidiary of Arshiya Rail Infrastructure Limited through assignment agreement.

Closing Balances

(₹ in Lakh)

Nature of Transaction	Related Party	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Loans and advances given	Arshiya Northern FTWZ Limited	14,705.57	14,688.48	14,272.43
	Arshiya Technologies (India) Private Limited	6.48	5.89	4.57
	Arshiya Lifestyle Limited	5,494.62	5,233.80	5,000.93
	Arshiya Logistics Services Limited	-	-	-
	Anomalous Infra Private Limited	-	-	21.98
	Unrivalled Infrastructure Private Limited	3.10	-	-
	Arshiya Infrastructure Developers Private Limited	1.67	1.25	0.81
	Arshiya Northern Projects Private Limited	13.47	7.80	1.38
	Arshiya Panvel FTWZ Services Private Limited	2,973.59	-	-
	Arshiya Panvel Logistics Services Private Limited	37.01	-	-
	Arshiya Data Centre Private Limited	11.53	10.53	10.00
	Arshiya 3PL Services Private Limited	2.87	176.27	84.28
	AMD Business Support Services Private Limited	1,404.33	2,518.75	-
	Total	**24,654.24**	**22,642.77**	**19,396.38**
Trade receivables	Anomalous Infra Private Limited	-	12,319.85	12,064.33
	Arshiya Data Centre Private Limited	13,064.16	12,136.79	10,714.02
Interest Receivables	AMD Business Support Services Private Limited	50.23	-	-
Advance from customer	Arshiya Lifestyle Limited	2,166.75	2,799.47	1,707.90

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Nature of Transaction	Related Party	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Trade Payable	Laxmipati Balaji Supply Chain Management Limited	-	4.97	-
Other recoverable	Laxmipati Balaji Supply Chain Management Limited	293.79	334.83	61.52
Loans taken	Mr. Ajay S Mittal	131.78	77.07	103.70
	Ms. Archana A Mittal	20.81	211.32	143.63
	Arshiya Rail Infrastructure Limited	-	2,461.49	1,597.50
Personal guarantees taken	Mr. Ajay S Mittal	2,02,470.00	2,02,420.00	2,02,420.00
	Ms. Archana A Mittal	1,92,470.00	1,91,870.00	1,91,870.00
Financial Guarantee Obligations	Arshiya Rail Infrastructure Limited	309.98	616.26	998.50
	Arshiya Northern FTWZ Limited	56.05	112.10	168.16
	Arshiya Lifestyle Limited	59.44	132.01	228.11
	Arshiya Panvel FTWZ Services Private Limited	213.80	-	-
Investment in subsidiaries (Refer Note No.7)	Arshiya Northern FTWZ Limited	44,625.29	44,625.29	44,625.29
	Arshiya Technologies (India) Private Limited	2.00	2.00	2.00
	Arshiya Lifestyle Limited	14.85	14.85	14.85
	Arshiya Logistics Services Limited	155.50	155.50	155.50
	Arshiya Infrastructure Developers Private Limited	1.00	1.00	1.00
	Unrivalled Infrastructure Private Limited	1.00	1.00	1.00
	Arshiya Data Centre Private Limited	1.00	1.00	1.00
	AMD Business Support Services Private Limited	-	1.00	-
	Total	44,800.64	44,801.64	44,800.64
Deemed Equity (Refer Note No. 7)	Arshiya Northern FTWZ Limited	696.96	696.96	696.96
	Arshiya Lifestyle Limited	2,759.36	2,009.18	2,002.72
	Arshiya Data Centre Private Limited	2,649.40	2,649.40	2,649.40
	Total	**6,105.72**	**5,355.54**	**5,349.08**
Assets held for sale (Refer Note No. 19)	**Investment in Subsidiary**			
	Anomalous Infra Private Limited	-	11.00	11.00
	Arshiya Northern Projects Private Limited	5.00	5.00	5.00
	Deemed Equity			
	Anomalous Infra Private Limited	-	1,129.89	1,129.89
Corporate guarantees/ securities issued to	Arshiya Northern FTWZ Limited	28,450.00	28,450.00	28,450.00
	Arshiya Rail Infrastructure Limited	75,400.00	75,400.00	78,400.00
	Arshiya Lifestyle Limited	12,257.32	17,735.15	22,633.39
	Arshiya Panvel FTWZ Services Private Limited	13,298.85	-	-
	Anomalous Infra Private Limited	-	7,000.00	7,000.00
Corporate guarantees/ securities received from	Arshiya Rail Infrastructure Limited	600.00	550.00	550.00
	Arshiya Northern FTWZ Limited			

Notes to the financial statements for the year ended 31st March, 2022

60 Loans and Advances in the nature of Loans to Subsidiaries and Loans to Company in which directors are interested (Pursuant to the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015):

Loans and Advances to Subsidiaries and Related Party

(₹ in Lakh)

Name of the Subsidiary & Related Party	Year	Amount outstanding as on March 31,	Maximum amount outstanding during the year	% of total loans and advances
Arshiya Northern FTWZ Limited	2022	14,705.57	14,705.57	59.65%
	2021	14,688.48	15,079.48	64.87%
	2020	14,272.43	14,469.45	73.58%
Arshiya Technologies (India) Private Limited	2022	6.48	6.48	0.03%
	2021	5.89	5.89	0.03%
	2020	4.57	4.57	0.02%
Arshiya Lifestyle Limited	2022	5,494.62	6,060.33	22.29%
	2021	5,233.80	6,060.33	23.11%
	2020	5,000.93	6,852.03	25.78%
Anomalous Infra Private Limited	2022	-	7.31	0.00%
	2021	-	23.50	0.00%
	2020	21.98	96.33	0.11%
Unrivalled Infrastructure Private Limited	2022	3.10	3.10	0.01%
	2021	-	-	0.00%
	2020	-	0.11	0.00%
Arshiya Infrastructure Developers Private Limited	2022	1.67	1.67	0.01%
	2021	1.25	1.26	0.01%
	2020	0.81	0.82	0.00%
Arshiya Northern Projects Private Limited	2022	13.47	13.47	0.05%
	2021	7.80	7.79	0.03%
	2020	1.38	1.38	0.01%
Arshiya Panvel FTWZ Services Private Limited	2022	2,973.59	3,632.50	12.06%
	2021	-	0.03	0.00%
	2020	-	-	0.00%
Arshiya Panvel Logistics Services Private Limited	2022	37.01	37.07	0.15%
	2021	-	0.03	0.00%
	2020	-	-	0.00%
Arshiya Data Centre Private Limited	2022	11.53	17.13	0.05%
	2021	10.53	10.53	0.05%
	2020	10.00	10.00	0.05%
Arshiya 3PL Services Private Limited	2022	2.87	176.50	0.01%
	2021	176.27	176.27	0.78%
	2020	84.28	85.08	0.43%
AMD Business Support Services Private Limited	2022	1,404.33	3,836.42	5.70%
	2021	2,518.75	2,518.75	11.12%
	2020	-	-	0.00%
Total	2022	**24,654.24**		**100.00%**
	2021	**22,642.77**		**100.00%**
	2020	**19,396.38**		**100.00%**

Notes to the financial statements for the year ended 31st March, 2022

61 Taxation

65.1 Tax Reconciliation

(₹ in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Reconciliation of tax expense		
Profit / (Loss) before tax	40,157.04	(10,856.11)
Enacted income tax rate (%) applicable to the Company	25.17%	26.00%
Tax expenses calculated at enacted income tax rate	10,106.72	(2,822.59)
Related to Property plant & equipment	193.20	246.74
Effect of Expenses that are not deductible in determining taxable profit	1,298.97	3,502.72
Effect of Income that are not considered in determining taxable profit	(11,748.57)	(895.31)
Tax holiday benefit avail under section 80IAB of Income Tax Act, 1961	-	-
Effect of unused Tax Losses	149.68	(31.56)
Earlier Year's tax	-	-
Income tax expense recognised in statement of profit and loss	-	-

61.2 The Company has not recognised any deferred tax assets on deductible temporary differences, unused tax losses as it is not probable that the Company will have sufficient future taxable profit which can be available against the available tax losses.

61.3 Unused tax losses for which no deferred tax assets has been recognised

(₹ in Lakh)

Assessment Year	Business Loss	Available for utilization till	Unabsorbed Depreciation
2014-2015	-		899.39
2015-2016	-		4,322.75
2016-2017	-		4,011.34
2017-2018	43,369.83	A.Y. 2025-2026	3,826.58
2018-2019	13,483.44	A.Y. 2026-2027	559.56
2022-2023	329.83	A.Y. 2030-2031	264.90
Total	**57,183.10**		**13,884.52**

(₹ in Lakh)

Assessment Year	Long term Capital Loss	Available for utilization till
2016-2017	1,658.88	A.Y. 2024-2025
2019-2020	526.93	A.Y. 2027-2028
Total	**2,185.81**	

Notes to the financial statements for the year ended 31st March, 2022

Deferred tax assets as at 31st March, 2022 ₹ 12,580.32 Lakh (31st March, 2021 - ₹ 19,755.07 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilized by the Company. Details of deferred tax assets are mentioned below:

(₹ in Lakh)

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
Property, plant and equipment	5,057.53	5,317.53
Unabsorbed depreciation	(3,494.46)	(3,549.15)
Expense disallowable under the Income Tax act	(965.17)	(3,449.09)
Unabsorbed losses	(14,846.49)	(16,773.91)
Financial Instruments	1,668.27	(1,300.45)
Total Deferred tax assets	**(12,580.32)**	**(19,755.07)**

62 During the year, the Company has allocated certain common costs and expenses incurred by it, being the Holding Company, to its subsidiaries aggregating to ₹ 938.51 Lakh (31st March, 2021 - ₹ 1,189.44 Lakh,) based on management's estimates of such costs and expenses attributable to them. Hence, certain expenses stated under Employee benefits expenses (Refer Note No. 35) and Other expenses (Refer Note No. 38) are presented as net of allocation of certain common costs and expenses.

63 Financial Risk Management

The Company's principal financial liabilities comprises of borrowings, trade and other payables and financial guarantees contracts. The main purpose of these financial liabilities is to manage for the Company's and subsidiaries's operations. The Company's financial assets comprises of investment, loans, trade and other receivables, cash and deposits that arises directly from its operations.

The Company's activities expose it to variety of financial risks including credit risk, liquidity risk and market risk. The Company's risks management assessment, management and processes are established to identify and analyse the risks faced by the Company to set up appropriate risks limits and controls, and to monitor such risks and compliances with the same. Risks assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Risk	**Exposure arising from**	**Measurement**	**Management**
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Regular review of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Unhedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Unhedged

The Company's risk management is carried out by a corporate finance team under the policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas, such as credit risk, interest rate risk.

(a) Credit Risk

The Company is exposed to credit risk, which is risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents as well as credit exposures to trade customers including outstanding receivables.

Notes to the financial statements for the year ended 31st March, 2022

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Credit risk is high as only few customers' account for majority of the revenue in the year presented. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

(b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The Company's objective is to, at all times; maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company limits its liquidity risk by ensuring regular monitoring of funds from trade and other receivables. The Company relies on assets light business model through monetization of assets and tie-up of construction funding and operating cash flows to meet its needs for funds.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Contractual maturities of financial liabilities

(₹ in Lakh)

Particulars	less than 1 year	1 to 5 years	More than 5 year
31st March, 2022			
Financial liabilities			
Borrowings	41,460.66	18,502.21	-
Trade payables	1,368.97	-	-
Lease liabilities	165.91	496.70	-
Creditors for Capital Goods	66.04	-	-
Financial guarantee obligations	470.98	161.53	6.76
Other financial liabilities	12,058.02	-	-
Total	**55,590.58**	**19,160.44**	**6.76**
31st March, 2021			
Financial liabilities			
Borrowings	48,184.71	40,633.88	-
Trade payables	1,301.61	-	-
Lease liabilities	46.80	130.74	-
Creditors for Capital Goods	77.25	-	-
Financial guarantee obligations	437.38	422.99	-
Other financial liabilities	33,908.50	-	-
Total	**83,956.25**	**41,187.61**	**-**
1st April, 2020			
Financial liabilities			
Borrowings	33,205.47	54,714.54	-
OCRPS (Equity and Liability Component)	-	-	800.00
Trade payables	1,210.35	-	-
Lease liabilities	79.88	95.05	-
Creditors for Capital Goods	120.10	-	-
Financial guarantee obligations	519.83	874.93	-
Other financial liabilities	21,376.02	-	-
Total	**56,511.65**	**55,684.52**	**800.00**

Notes to the financial statements for the year ended 31st March, 2022

(c) Market Risk

Market Risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: 1) Foreign currency risk and 2) Interest rate risk.

1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flow or an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

1.1 Foreign currency risk exposure

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

Particulars	Financial Year Ended	Foreign currency amount (Amount in Lakh)	Equivalent amount in INR (₹ in Lakh)
Trade Receivables			
USD	31st March, 2022	0.07	5.68
	31st March, 2021	0.07	5.50
	1st April, 2020	0.13	9.52
EUR	31st March, 2022	4.68	396.02
	31st March, 2021	3.63	312.67
	1st April, 2020	1.62	134.79
Security Deposit from customers			
USD	31st March, 2022	1.54	116.67
	31st March, 2021	1.54	113.12
	1st April, 2020	5.47	412.35

1.2 Sensitivity

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(₹ in Lakh)

Particulars	Increase/(decrease) in profit before tax		
	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
FX rate - increase by 1% on closing rate of reporting date	2.85	2.05	(2.68)
FX rate - (decrease) by 1% on closing rate of reporting date	(2.85)	(2.05)	2.68

The above amounts have been disclosed based on the accounting policy for exchange differences.

Notes to the financial statements for the year ended 31st March, 2022

2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the Company's borrowings is fixed rate borrowings carried at amortised cost, therefore not subject to interest rate risk as defined in IND AS - 107, since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company's interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's borrowings at the variable rate were mainly denominated in Rupees.

2.1 Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Variable rate borrowing	1,471.41	1,463.41	1,463.41

2.2 Sensitivity of Interest

Profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of changes in interest rates..

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
50 bps increase the profit before tax by	(7.36)	(7.32)	(7.32)
50 bps decrease the profit before tax by	7.36	7.32	7.32

64 Fair Value Measurements

(i) Financial Instruments by Category

(₹ in Lakh)

Particulars	Carrying Amount			Fair Value		
	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Financial Assets						
Amortised cost						
Trade Receivables	13,555.59	24,631.32	22,922.67	13,555.59	24,631.32	22,922.67
Loans	24,654.24	22,642.77	19,396.39	24,654.24	22,642.77	19,396.39
Cash and Cash Equivalents	20.29	38.04	9.67	20.29	38.04	9.67
Other Bank Balances	15.03	15.03	16.15	15.03	15.03	16.15
Other Financial Assets	4,709.53	4,165.88	3,647.85	4,709.53	4,165.88	3,647.85
Total	**42,954.68**	**51,493.04**	**45,992.73**	**42,954.68**	**51,493.04**	**45,992.73**

Notes to the financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Carrying Amount			Fair Value		
	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Financial Liabilities						
Amortised cost						
Borrowings	59,843.54	88,563.26	87,559.79	59,843.54	88,563.26	87,559.79
Trade Payables	1,368.97	1,301.61	1,210.35	1,368.97	1,301.61	1,210.35
Creditors for Capital Goods	66.04	77.25	120.10	66.04	77.25	120.10
Security Deposits	116.67	113.12	412.35	116.67	113.12	412.35
Financial guarantee obligations	639.27	860.37	1,412.31	639.27	860.37	1,412.31
Lease Liabilities	662.61	177.54	174.93	662.61	177.54	174.93
Other financial liabilities	11,941.35	33,795.38	20,963.67	11,941.35	33,795.38	20,963.67
Total	**74,638.45**	**1,24,888.53**	**1,11,853.50**	**74,638.45**	**1,24,888.53**	**1,11,853.50**

(ii) Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

(a) The Company assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) The fair values for loans to subsidiaries, security deposits and other financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(c) The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(d) Equity Investments in subsidiaries are stated at cost.

(iii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard.

(a) Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

(b) Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

Notes to the financial statements for the year ended 31st March, 2022

65 Capital Management

For the Company's objective when managing capital is to safeguard the Company's ability to continue going concern in order to provide the return to shareholders and benefit to other stakeholders and to maintain an optional capital structure to reduce the cost of capital, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares (if permitted). The Company monitors capital using a gearing ratio, which is total debts divided by total equity.

As stated in Notes to accounts, the Company is also having scheme of arrangements to reorganize the capital structure.

(₹ in Lakh)

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 1st April, 2020**
Total Debts	71,513.21	1,22,115.85	1,08,279.81
Total Equity	91,200.80	50,702.75	61,197.20
Total debt to equity ratio (Gearing ratio)	**0.78**	**2.41**	**1.77**

Notes:-

(i) Debt is defined as non-current and current borrowings including current maturities of borrowings and interest accrued.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

Debt Covenants

Under the terms of Restructuring Agreement (RA), the Company is required to comply with, interalia, following financial covenants:

Without prior approval of lender, the Company shall not:

(a) Loans, debenture & charge - Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.

(b) Dividend on equity shares - declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA..

(c) Investments by Borrower - make any investments by way of deposits, loans, share capital etc. in any concern or elsewhere without prior approval of the Lender / Business Monitoring Committee.

(d) **One time Settlement -** enter into any one time settlement or any other settlement with any lenders other than the Lender, without prior written approval of the Lender, as may be permitted under RA and disclosed to the Lender.

(e) **Assignment -** assign or transfer of any of its right and obligations to any third party.

(f) **Related party transactions -** enter into any related party transactions for an amount exceeding ₹ 10 Lakh per month subject to business structure and agreed by Lender.

Notes to the financial statements for the year ended 31st March, 2022

In order to achieve this overall objective, the capital management, amongst other thing, aims to ensure that it meets financial covenants attached to the interest bearing Loans and borrowings that define capital structure requirements, there have been breaches in the financial covenants of Interest bearing loans and borrowing in the current period and previous period.

The Company has not proposed any dividend in last three year in view of losses incurred.

66 Key Financial Ratios

Sr. No.	Particulars	31st March 2022	31st March 2021	Variation
(i)	Trade Receivables Turnover Ratio	0.32	0.28	16.29%
(ii)	Inventories Turnover Ratio	-	-	0.00%
(iii)	Debt Service Coverage Ratio #	0.52	0.37	39.50%
(iv)	Current Ratio	0.88	0.73	19.62%
(v)	Debt Equity Ratio #	0.78	2.41	-67.44%
(vi)	Net Profit Ratio #	648.39%	-163.68%	812.07%
(vii)	Trade Payables Turnover Ratio	0.37	0.42	-10.60%
(viii)	Return on Capital Employed	0.96%	2.29%	-1.33%
(ix)	Net Capital Turnover Ratio #	-0.83	-0.28	197.29%
(x)	Return on Investment	-2.04%	0.00%	-2.05%
(xi)	Return on Equity Ratio #	44.03%	-21.41%	65.44%

During the year, the Company entered settlement of debts with lenders in which results reduction in finance cost, debts and increase in total equity. Accordingly during the current year, significant changes in financial ratio.

Sr. No.	Ratios	Numerator	Denominator
(i)	Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivable (Opening balance + closing balance) /2
(ii)	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory (Opening balance + closing balance) /2
(iii)	Debt Service Coverage Ratio	Earnings available for debt service (Net profit after tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost & lease payment + principle repayment of long term borrowings during the year
(iv)	Current Ratio	Current Assets	Current Liabilities
(v)	Debt Equity Ratio	Total Debts + interest accrued	Total Equity
(vi)	Net Profit Ratio	Net Profit after tax	Revenue from operations
(vii)	Trade Payables Turnover Ratio	Other expenses excluding Allowance for doubtful debts, Bad debts, Foreign exchange differences, Sundry balance written off, Discarding/written off of Intangible assets under development and Loss on sale of subsidiary	Average trade payables (Opening balance + closing balance) /2
(viii)	Return on Capital Employed	Profit before interest and tax	Total Equity + Total Debts
(ix)	Net Capital Turnover Ratio	Revenue from operations	Working capital (Current asset - current liabilities)

Notes to the financial statements for the year ended 31st March, 2022

Sr. No.	Ratios	Numerator	Denominator
(x)	Return on Investment	Interest income on fixed deposits + Profit on sale of investments + Income of investment - Impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank
(xi)	Return on Equity Ratio	Net Profit after tax	Average total equity [(Opening Equity Share capital + Opening Other equity+Closing Equity Share Capital+Closing Other Equity)/2

67 Revenue from contracts with customers (IND AS 115)

The Company disaggregates revenue from contracts with customers by type of services, geography and timing of revenue recognition.

Revenue disaggregation by type of services is given note no. 33.

Revenue disaggregation by geography is as follows:

(₹ in Lakh)

Geography	Year Ended 31st March, 2022	Year Ended 31st March, 2021
India	6,193.34	6,632.39
Outside India	-	-
Total	**6,193.34**	**6,632.39**

Revenue disaggregation by timing of revenue recognition is as follows:

(₹ in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Services transferred over time	5,124.68	5,139.44
Consideration on Lease of Land	1,068.66	1,492.95
Total	**6,193.34**	**6,632.39**

Reconciliation of Revenue from Operation with contract price:

(₹ in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Contract Price	6,415.19	7,967.39
Reduction towards reimbursement of Income billed to customer on behalf of the Subsidiary	221.85	1,335.00
Revenue from Operations	**6,193.34**	**6,632.39**

Notes to the financial statements for the year ended 31st March, 2022

Transaction Price allocated to remaining performance obligations:

The aggregate amount of the transaction price allocated to the performance obligations that are to be satisfied as of 31st March, 2022 amounts to ₹ 2,122.60 Lakh (31st March, 2021 - ₹ 2,109.59 Lakh) as per Lease deed. The remaining performance obligation are subject to several factors including Panvel storage revenue, cash flow cover, collections within 90 days or mutually agreed. The management of the Company expects that 100% of the unsatisfied performance obligation will be recognised as revenue during the next reporting period amounting to ₹ 2,122.60 Lakh with balance in future one reporting periods thereafter.

68 During the previous year ended 31st March, 2021, the Company has allotted 25,00,000 equity shares to a lender upon conversion of 80,000 Zero percent Optionally Convertible Redeemable Preference Shares (OCRPS) and allotment of 17,00,000 equity shares to eligible employees upon exercised under the Arshiya Limited Employee Stock Option Scheme 2019. Post allotment of aforesaid shares, the paid up capital of the Company have been increased to ₹ 5,245.52 Lakh divided into equity shares 26,22,75,915 of face value of ₹ 2/- each

69 Two lenders of a subsidiary company i.e. ANFL have filed petition for recovery of dues at NCLT under Insolvency and Bankruptcy Code, 2016. ANFL is under discussion with its consortium lenders for resolution of debt for all lenders. A lender of ANFL has also called upon the Company as a corporate guarantor to the said loan.

70 Certain operational creditors of the Company have also filed petitions at NCLT under Insolvency and Bankruptcy Code, 2016. Currently the matters are pending at pre-admission stage.

71 Certain creditors have initiated legal proceedings against the Company and its Directors. One creditor has initiated for winding up petition against the Company. The Company is in process of negotiating and finalising the revised consent terms and / or making representations to the respective forum.

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

73 The Company has requested all its lenders for independent confirmation of their outstanding as on 31st March 2022 with a request to confirm their balances directly to the statutory auditors. The Company is confident that there will not be significant changes in its liabilities.

74 Trade receivable includes amount aggregating to ₹ 429.25 Lakh from one of the Customer of the Company who have warehoused imported goods. The said Customer has been doing business in Panvel FTWZ since more than five years and have cleared all their dues though there are some delays in payment. The management is confident that the outstanding balance is fully recoverable. Further in the event of any default, the Company will be entitled to lien on their goods stored in FTWZ warehouses, as per terms of agreements. In view of the same, the Company has not made any provision in the books.

75 During the year ended 31st March 2020, Central Bureau of Investigation conducted a search on the Company based on a complaint of UCO Bank, which is no longer a lender to the Group since 31st March 2017. In this regard, the Company has filed a petition with the Hon'ble High Court of Bombay. The Hon'ble High Court of Bombay has given interim relief in favour of the Company whereby all the adverse actions, if any has been stayed by the Hon'ble High Court as prayed and the matter is now sub-judice.

76 **Impact relating to Global health pandemic Coronavirus (COVID) 2019:**

The Company has made a detailed assessment and the recoverability and carrying value of its assets, as at 31st March 2022, 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.

Notes to the financial statements for the year ended 31st March, 2022

77 Other Statutory Informations

(a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(c) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(d) There are no transactions and outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act,1956.

(e) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) The Company does not have any pending creation of charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period except in one of the case, the Company has signed the documents for loan facilities of ₹ 600.00 Lakhs from a NBFC but not drawn said loan. The satisfaction of charges will be filed upon receipt of required documents from a NBFC.

(h) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) Utilisation of borrowed funds as on 31st March, 2022, there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(k) The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company but the Company has voluntarily adopted the CSR policy in 2018.

(l) The Company has complied and accounted the effect of Scheme of Arrangements in accordance with the Scheme and with the Indian accounting standards (Refer Note No. 49).

78 The Parliament of India has approved the Code on Social Security, 2020 (“the Code”) which, inter alia, deals with employee benefits during employment and post employment. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

Notes to the financial statements for the year ended 31st March, 2022

79 Previous year's figures have been regrouped / rearranged / restated wherever necessary to comply with requirement of Ind AS and Schedule III and in view of the Schemes as detailed in note no. 49.

Notes forming part of financial statements

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th May, 2022

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

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CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of Arshiya Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Arshiya Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2022, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31st March, 2022, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

(i) *We draw attention to the Note no.51.1 of the consolidated financial statements, during the year ended 31st March 2022, the Holding Company and one of the subsidiary company received settlement of debt letter of Edelweiss Assets Reconstruction Company Limited ("EARC"). The settlement of debts would have become effective upon due completion of all conditions precedent to the satisfaction of EARC as mentioned in the settlement letter which were only partially achieved. However, the Group has given accounting effects of settlement letter in the consolidated financial statements for the year ended 31st March 2022. Had the accounting effects of settlement letter not considered in the books of accounts of the respective Company, borrowing, finance cost, exceptional items, net profit/(loss) for the year, other equity and EPS for the year ended 31st March 2022 would have been ₹ 1046,65.73 Lakh, ₹ 282,00.94 Lakh, ₹ 545.70 Lakh, ₹ (173,05.77) Lakh, ₹ (386,77.74) Lakh, ₹ (6.88), respectively, as against the reported figure of ₹ 869,52.43 Lakh, ₹ 162,17.40 Lakh, ₹ 489,88.99 Lakh, ₹ 423,90.77 Lakh, ₹ 259,77.10 Lakh, ₹ 16.16 respectively.*

(ii) *We draw attention to the Note no. 74 of the consolidated financial statements, during the course of preparation of consolidated financial statements for the year ended 31st March 2022, e-mails have been sent to lenders by the respective Company with a request to confirm their balances directly to us. As at 31st March 2022, direct balance confirmations of total borrowings including interest accrued (including current maturities and current borrowings), aggregating to ₹ 13,64,65.38 Lakh have not been received. We are unable to obtain sufficient appropriate audit evidence about these borrowing (including interest) outstanding as at 31st March 2022. Consequently, we are unable to determine whether any adjustment to these amounts are necessary and consequential impacts on the consolidated financial statements of the Group.*

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

Material Uncertainty Related to Going Concern

(i) We draw attention to the Note no. 48(a) of the consolidated financial statements, the Holding Company is unable to pay its dues to operational and financial creditors, the Holding Company has defaulted in repayment of dues to lenders and lenders has started recovery proceeding, some of the lenders have even called back their loans, lenders have classified Holding Company's borrowing as NPA, current liabilities exceeded its current assets of the holding Company, operational and financial creditors has applied before NCLT under Insolvency and Bankruptcy Code, 2016. The Holding Company also received notice under SARFAESI from EARC, for certain borrowings, to discharge it's liabilities failing which they will realize the amount by enforcing securities on secured assets. These matters including others 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's plan to monetize its assets in timely manner and generate cash flows to meet its obligations.

(ii) We draw attention to the Note No. 48(b) of the consolidated financial statements, in respect of Arshiya Northern FTWZ Limited (ANFTWZ), a subsidiary company's networth turned negative as at 31st March 2022, unable to pay its dues to operational and financial creditors, it has defaulted in repayment of dues to lenders, lenders have classified Company's borrowing as NPA, current liabilities exceeded its current assets of ANFTWZ. It has appointed external agency for business development. These matters including others 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 financial statements of the Arshiya Northern FTWZ Limited (ANFTWZ) have been prepared on the going concern basis. The said assumption of going concern is dependent upon Company's plan to monetize its assets in timely manner and generate cash flows to meet its obligations.

(iii) The auditor of Arshiya Logistic Services Limited (one of the subsidiary) in their report on the financial statements of that subsidiary have reported, following paragraph:-

We draw attention to note no. 48(c) of the consolidated financial statements which indicates that as at 31 March 2022, the Company has accumulated losses of ₹ 347.38 Lakh resulting in full erosion of its net worth, and current liabilities exceeded its current assets by ₹ 158.07 Lakh. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, basis the future business projections which are dependent on certain assumptions and estimates along with other factors mentioned in aforesaid note to the financial statements, management is of the view that the going concern basis of accounting is appropriate. Such assessment is dependent on the Company achieving its business plans as stated in aforesaid note.

(iv) We draw attention to Note 48(e) of the consolidated financial statements, which indicates that the Arshiya 3PL Services Private Limited incurred a net loss of ₹ 8.60 Lakh during the year ended March 31, 2022 and, as of that date, the Company's current liabilities exceeded its total assets by ₹ 299.97 Lakh. These conditions, along with other matters as set forth in above Note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not modified in respect of these matters.

Emphasis of Matters

(i) We draw attention to Note no. 52 of the consolidated financial statements, regarding accounting of the scheme from the appointed date being 1st April 2019 as approved by the National Company Law Tribunal, though the Scheme has become effective on 2nd February, 2022 and restatement of comparatives for the previous periods / years by the management of the Holding Company.

(ii) We draw attention to Note no. 52.1 of the consolidated financial statements, one of the lenders of the Holding Company, had preferred an appeal in "Hon'able National Company Law Appellate Tribunal" ("NCLAT"), against the order of Hon'able National Company Law Tribunal, Mumbai sanctioning the Scheme of Arrangement between the Holding Company and Arshiya Rail Infrastructure Limited. NCLAT ordered to maintain the status quo prevailing as on that date, vide it's order dated 4th March 2022. According to the legal opinion obtained by the Holding Company and in view of the Management, it can prepare the financial statements of the Holding Company as per sanctioned scheme of arrangement.

(iii) We draw attention to the note no.49 and 50 of the consolidated financial statements, pending execution of restructuring agreement for assignment of its debt to Edelweiss Asset Reconstruction Company (EARC), the Holding Company has continued to provide interest for the year 31st March, 2022 in line with major terms negotiated with EARC in case of other agreements. In view of the management, no penal interest needs to be provided for the above said debt presently.

(iv) We draw attention to the note no. 73 of the consolidated financial statements, regarding the balance confirmations of trade receivables and trade payables. During the course of preparation of consolidated financial statements, e-mails/letters have been sent to various parties by the Group with a request to confirm their balances directly to us out of which only few parties have responded. The management is confident and is of the view that there will not be any material variation in the said balances.

(v) We draw attention to Note no. 75 of the consolidated financial statements, regarding recoverability of trade receivables aggregating to ₹ 429.25 Lakh as at 31st March 2022 from one of the customer. The Management is of the view that the said amounts are considered to be good and fully recoverable as on 31st March, 2022, and accordingly, no provision is required to be made in view of the reasons stated in the aforesaid note.

(vi) The auditor of two subsidiaries in their report on the financial statements of those subsidiaries have reported, following paragraph:-

We draw attention to note no. 59 and 60 the consolidated financial statements regarding recoverability of trade receivables and other financial assets aggregating to ₹ 2078.39 Lakh as at 31st March 2022 from certain customers. The Management of the Companies is of the view that the said amounts are considered to be good and fully recoverable as on 31st March, 2022, and accordingly, no provision is required to be made in view of the reasons stated in the aforesaid note.

Our opinion on the consolidated financial statements is not modified in respect of these matters.

Key Audit Matter

Key audit matter are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year ended 31st March 2022. This matter were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. In addition to the matter described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern section, we have determined the matter described below to be key audit matter to be communicated in our report.

Key Audit Matters	**How Our Audit Addressed The Key Audit matter**
Litigations matters and contingent liabilities	
The Holding Company and it's subsidiaries (collectively known as Arshiya Group) are subject to number of significant litigations. In such litigation matters certain lenders and creditors have filed winding up petitions/cases/other legal proceedings against the Holding Company's and its subsidiaries and its Directors for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. The financial implication of such claims will be disclosed and recognized as and when finality in the matter is reached. The amounts of litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment. [Refer note no.44.1, 61 & 62]. Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined and it has been considered as a key audit matter.	Our audit procedures included the following • Discussion with the management on the development in theses litigations during the year ended 31st March, 2022. • Obtaining an understanding of the risk analysis performed by the Group, with the relating supporting documentation. • Verification that the accounting and /or disclosures as the case may be in the consolidated financial statements is in accordance with the assessment of management. • Obtaining representation letter from the respective company's management on the assessment of those matters as per SA 580 (revised) - written representations.

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

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended 31st March 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(i) The consolidated financial statements include the audited financial statements of 5 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 307,56.05 Lakh as at 31st March, 2022, total revenue of ₹ 49,69.81 Lakh and cash outflow (net) of ₹ (139.93) Lakh for the year ended 31st March, 2022, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(ii) The consolidated financial statements include the unaudited financial statements of one subsidiary (which ceases to be subsidiary from 28th March 2022), whose financial statements/ financial information reflect total revenue of ₹ 128.11 Lakh till 28th March, 2022, as considered in the consolidated financial statements. These financial statements/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts, maintained for the purpose of preparation of the consolidated financial statements;

(d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules there under;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiaries, none of the directors of the Group companies are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The matters described in paragraphs above under the Material Uncertainty Related to Going Concern, in our opinion, may have an adverse effect on the functioning of the Parent Company and Subsidiaries;

(g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in Annexure A;

(h) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

(i) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, no remuneration for the year ended 31st March, 2022 has been paid / provided by the Holding Company, its subsidiaries incorporated in india to their directors hence the provisions of section 197 of the Act is not applicable.

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

i. The consolidated financial statements discloses the impact of pending litigations as at 31st March, 2022 on the consolidated financial position of the Group - Refer Note no. 44.1, 61 and 62 to the consolidated financial statements.

ii. The Group does not have any long term contracts including derivative contracts and hence there are no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March, 2022 and in case of subsidiary companies incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended 31st March, 2022.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under paragraph (1) (j) (iv) (a) and (b) above, contain any material misstatement.

v. The Holding Company and its subsidiaries incorporated in India has not declared or paid any dividend during the current year.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company, we report that there following qualification or adverse remarks by the respective auditors in the CARO report of the said companies included in the consolidated financial statements.

Sr. No.	Name	CIN	Holding Company/ subsidiary	Clause number of the CARO report which is qualified or adverse
1	Arshiya Limited	L93000MH1981PLC024747	Holding	iii(e), vii(a), ix(a) and xix
2	Arshiya Lifestyle Limited	U74110MH2010PLC201330	Subsidiary	vii (a) and xiv (b)
3	Arshiya Logistics Services Limited	U93000MH2008PLC183791	Subsidiary	iii (b), vii (a), xiv (b) and xix
4	Arshiya Panvel FTWZ Services Private Limited	U74999MH2019PTC322030	Subsidiary	vii(a)
5	Arshiya Panvel Logistics Services Private Limited	U74999MH2019PTC322399	Subsidiary	vii(a)
6	Unrivalled Infrastructure Private Limited	U74999MH2019PTC319124	Subsidiary	vii(a)
7	Arshiya 3PL Services Private Limited	U74999MH2018PTC313041	Subsidiary	vii(a) and xix
8	Arshiya Northern FTWZ Limited	U51109MH2008PLC183555	Subsidiary	vii(a), ix(a) and xix

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 22109859AKSBBQ6505

Place: Mumbai
Date: 30th May 2022

“Annexure A” to the Independent Auditor’s Report

Referred to in paragraph 12(g) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of the Arshiya Limited on the consolidated financial statements for the year ended 31st March 2022.

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

In conjunction with our audit of consolidated financial statements of Arshiya Limited (“the Holding Company”) as of 31st March, 2022 we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and Subsidiarity companies which are companies incorporated in India

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Holding Company’s and subsidiaries which are incorporated in India, internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiaries incorporated in India, internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Basis of Qualified Opinion

Based on our audit and information & explanations provided by the management, the material weaknesses have been identified in the Group's internal financial controls with reference to consolidated financial statements as at 31st March, 2022 with regard to i) accounting of settlement letter without complying conditions precedent and ii) obtaining balance confirmations of borrowing (including interest) from lenders.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company and its subsidiaries which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March, 2022, based on the internal control with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India except for the possible effects of the material weakness described in the basis of qualified opinion paragraph above on the achievement of the objectives of the control criteria.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of consolidated financial statements of the Company for the year ended 31st March, 2022, and these material weakness do not affect our opinion on the consolidated financial statements of the Company.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries which are companies incorporated in India, insofar as it relates to, Five subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India. Our opinion is not modified in respect of the said matter.**For Chaturvedi & Shah LLP**

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 22109859AKSBBQ6505

Place: Mumbai
Date: 30th May 2022

"Annexure B" to the Independent Auditor's Report

Referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Limited on the standalone financial statements for the year ended 31st March 2022.

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

We have audited the internal financial controls with reference to financial statements of Arshiya Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Basis of Qualified Opinion

Based on our audit and information & explanations provided by the management, the material weaknesses have been identified in the Company's internal financial controls with reference to standalone financial statements as at 31st March, 2022 with regard to i) accounting of settlement letter without complying conditions precedent and ii) obtaining balance confirmations of borrowing (including interest) from lenders.

Qualified Opinion

In our opinion and to the best of information and according to explanations given to us, the Company has maintained adequate internal financial controls with reference to financial statements as at 31st March, 2022 based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI and except for possible effects of the material weakness described in the Basis of Qualified Opinion paragraph above on the achievement of the objectives of the Control criteria, the Company's internal financial control with reference to financial statements were operating effectively as at 31st March, 2022.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of standalone financial statements of the Company for the year ended 31st March, 2022, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 22109859AKSAYH1380

Place: Mumbai
Date: 30th May 2022

Consolidated Balance Sheet as at 31st March, 2022

(₹ in Lakh)

Particulars			Notes	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
ASSETS						
Non-Current Assets						
(a)	Property, Plant and Equipment		7 (a)	1,28,356.87	1,30,363.97	1,33,085.09
(b)	Right of Use Assets		7 (b)	19,900.00	13,002.32	17,441.09
(c)	Capital Work-in-Progress		8	221.44	135.00	-
(d)	Goodwill on Consolidation			19.17	20.43	19.17
(e)	Intangible Assets		9	174.00	514.85	855.70
(f)	Intangible Assets Under Development			-	60.00	60.00
(g)	Financial Assets					
	(i)	Loan	10	1,404.34	325.00	325.00
	(ii)	Other Financial Assets	11	3,072.31	2,222.41	1,998.45
(h)	Other Non-Current Assets		12	821.07	1,118.77	1,345.54
				1,53,969.20	**1,47,762.75**	**1,55,130.04**
Current assets						
(a)	Inventories		13	12,537.34	12,537.34	12,537.34
(b)	Financial Assets					
	(i)	Trade Receivables	14	4,020.83	2,562.54	1,652.16
	(ii)	Cash and Cash Equivalents	15	799.02	915.24	839.58
	(iii)	Bank Balances Other than (ii) above	16	15.03	15.03	16.15
	(iv)	Loans	17	325.00	-	-
	(v)	Other Financial Assets	18	8,277.61	6,299.92	6,387.84
(c)	Other Current Assets		19	3,350.86	5,339.89	2,359.44
				29,325.69	**27,669.96**	**23,792.51**
(d)	Assets held for sale		20	7,068.75	18,845.39	15,320.83
Total Assets				**1,90,363.64**	**1,94,278.10**	**1,94,243.38**
EQUITY AND LIABILITIES						
Equity						
(a)	Equity Share capital		21	5,245.52	5,245.52	5,161.52
(b)	Other Equity		22	25,977.10	(16,753.96)	3,799.64
				31,222.62	**(11,508.44)**	**8,961.16**
Liabilities						
Non Current Liabilities						
(a)	Financial Liabilities					
	(i)	Borrowings	23	18,382.88	45,494.92	62,781.10
	(ii)	Lease Liabilities	24	14,974.85	10,354.86	13,675.56
	(iii)	Other Financial Liabilities	25	869.44	1,203.10	727.08
(b)	Provisions		26	117.55	106.83	120.24
(c)	Other Non-Current Liabilities		27	2.94	64.43	8.98
				34,347.66	**57,224.14**	**77,312.96**
Current Liabilities						
(a)	Financial Liabilities					
	(i)	Borrowings	28	68,569.55	66,166.32	47,744.74
	(ii)	Trade Payables	29			
		Micro and Small Enterprises		580.11	288.95	274.34
		Others		1,625.27	1,669.17	1,352.17
	(iii)	Lease Liabilities	30	6,337.43	4,482.78	4,785.56
	(iv)	Other Financial Liabilities	31	43,962.48	65,472.05	47,861.85
(b)	Other Current Liabilities		32	3,699.67	2,802.42	2,268.68
(c)	Provisions		33	14.97	12.69	13.27
				1,24,789.48	**1,40,894.38**	**1,04,300.61**
(d)	Liabilities associated with assets classified as held for sale		34	3.88	7,668.02	3,668.65
Total Equity and Liabilities				**1,90,363.64**	**1,94,278.10**	**1,94,243.38**

Notes to the financial statements 1 to 81

As per our report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th May, 2022

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Notes	Year Ended 31st March, 2022	Year Ended 31st March, 2021
INCOME			
Revenue from operations	35	15,014.12	14,278.42
Other income	36	9,674.09	1,727.62
Total Income (I)		**24,688.21**	**16,006.04**
EXPENSES			
Warehousing, transportation and handling costs	37	1,775.45	1,419.74
Employee benefits expense	38	1,996.63	1,380.51
Finance costs	39	16,217.40	23,193.87
Depreciation and amortization expense	40	7,181.47	7,297.95
Other expenses	41	3,356.37	3,026.59
Total Expenses (II)		**30,527.32**	**36,318.66**
Profit/(loss) before exceptional items and tax (I-II)		**(5,839.11)**	**(20,312.62)**
Exceptional Items	42	48,988.99	-
Profit/(loss) before tax		**43,149.88**	**(20,312.62)**
Tax expense:	67		
Current tax		28.82	8.64
Deferred tax		-	-
Profit/(loss) for the year from Continuing Operations		**43,121.06**	**(20,321.26)**
Profit/(loss) for the year from Discontinuing Operations	43	(730.29)	(224.44)
Net Profit/(loss) for the year		**42,390.77**	**(20,545.70)**
OTHER COMPREHENSIVE INCOME			
Item not to be reclassified to profit and loss:			
Remeasurement of gains/(losses) on defined benefit plans		(7.38)	4.76
Other Comprehensive income for the year		**(7.38)**	**4.76**
Total Comprehensive Income for the year		**42,383.39**	**(20,540.94)**
Profit for the year attributable to:			
Owner of the parent		42,390.77	(20,545.70)
Non-controlling interest		-	-
		42,390.77	**(20,545.70)**
Other comprehensive income for the year attributable to:			
Owner of the parent		(7.38)	4.76
Non-controlling interest		-	-
		(7.38)	**4.76**
Total comprehensive income for the year attributable to:			
Owner of the parent		42,383.39	(20,540.94)
Non-controlling interest		-	-
		42,383.39	**(20,540.94)**
Earnings per equity share (EPS) in ₹ (for continuing operation)			
Basic		16.44	(7.86)
Diluted		16.39	(7.86)
Earnings per equity share (EPS) in ₹ (for Discontinuing operation)			
Basic		(0.28)	(0.09)
Diluted		(0.28)	(0.09)
Earning per equity share (EPS) in ₹ (for continuing and discontinuing operation) (face value of ₹ 2 each)	66		
Basic		16.16	(7.95)
Diluted		16.11	(7.95)
Notes to the financial statements	1 to 81		

As per our report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th May, 2022

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Consolidated Statement of changes in Equity for the year ended 31st March, 2022

A. Equity Share Capital (Refer Note No. 21)

Particulars	₹ in Lakh
Equity Shares of ₹ 2 each issued, subscribed and paid up	
As at 1st April, 2020	**5,161.52**
Issue of Equity Shares	84.00
As at 31st March, 2021	**5,245.52**
Issue of Equity Shares	-
As at 31st March, 2022	**5,245.52**

B. Other Equity (Refer Note No. 22)

(₹ in Lakh)

Particulars	Other Reserves			Reserve and Surplus				Total
	Equity Component of Compunded Financial Instruments	Capital Reserve	Amalgamation Reserve	Securities Premium Account	Employee Stock Options Reserve	General Reserve	Retained Earnings	
Balances as on 1st April, 2020	**690.91**	**1.58**	**124.80**	**59,691.96**	**45.01**	**940.18**	**(57,694.80)**	**3,799.64**
Profit/(loss) for the year	-	-	-	-	-	-	(20,545.70)	(20,545.70)
Other comprehensive income	-	-	-	-	-	-	4.76	4.76
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(20,540.94)**	**(20,540.94)**
Share based payment	-	-	-	-	216.62	-	-	216.62
On issue of equity shares	(690.91)	-	-	1,011.63	(261.63)	-	-	59.09
Others (net)	-	-	-	-	-	-	(288.37)	(288.37)
Balances as at 31st March, 2021	**-**	**1.58**	**124.80**	**60,703.59**	**-**	**940.18**	**(78,524.10)**	**(16,753.96)**
Profit/(loss) for the year	-	-	-	-	-	-	42,390.77	42,390.77
Other comprehensive income	-	-	-	-	-	-	(7.38)	(7.38)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**42,383.39**	**42,383.39**
Share based payment	-	-	-	-	347.66	-	-	347.66
Balances as at 31st March, 2022	**-**	**1.58**	**124.80**	**60,703.59**	**347.66**	**940.18**	**(36,140.71)**	**25,977.10**

Notes to the financial statements 1 to 81

As per our report of even date
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Consolidated Cash Flow Statement for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Cash flow from operating activities		
Profit/(Loss) before tax	**43,149.88**	**(20,312.62)**
Adjustments for		
Bad debts	1,495.12	0.50
Sundry balances written off / back (net)	(8.76)	922.56
Discarding / written off of Property, plant and equipment and Intangible assets	60.00	-
Gain on disposal of Property, plant and equipment	-	(0.17)
Provision for doubtful debts/Expected credit loss	146.69	159.55
Gain on settlement of debts (net)	(48,988.99)	-
Gain recognised on sale of subsidiaries	(8,902.00)	-
Depreciation and amortization expense	7,181.47	7,297.95
Finance costs	16,217.40	23,193.87
Financial guarantee income	(321.28)	(378.27)
Gain on derecognised of Financial guarantee income	-	(18.97)
Financial assets carried at amortised cost	(262.73)	(232.88)
Gain on derecognised of Liability Component	-	(16.13)
Gain on Lease modification	-	(4.66)
Interest income on fixed deposits	(3.18)	(4.82)
Interest income on Loan	(95.73)	(45.50)
Interest income on tax refund	(55.46)	(48.66)
Share based payment	347.67	107.67
Foreign exchange differences (net)	1.96	117.20
Operating profit before working capital changes	**9,962.06**	**10,736.62**
Adjustments for		
(Increase)/Decrease in financial and other assets	(3,106.30)	(4,676.95)
(Decrease) in financial and other liabilities	(104.80)	(169.49)
Cash generated from operations	**6,750.96**	**5,890.18**
Direct taxes paid (net of refunds)	288.11	256.62
Net cash flow from continuing operating activities	**7,039.07**	**6,146.80**
Net cash flow from discontinuing operating activities	(51.77)	(231.40)
Net cash flow from operating activities - Continuing and Discontinuing Operations	**6,987.30**	**5,915.40**
Cash flow from investing activities		
Purchase of property, plant and equipment	(99.74)	(45.99)
Purchase of Capital work in progress and Intangible assets under development	(86.44)	(135.00)
Proceeds from sale of property, plant and equipment	-	0.49
Gain on sale of investment in subsidiaries	8,902.00	-
Loans given to related party (net)	(3,865.83)	-
Interest income on Loan to others	4.55	-
Interest received	-	1.03
Net cash flow from investing activities	**4,854.54**	**(179.47)**

(₹ in Lakh)

Particulars		Year Ended 31st March, 2022	Year Ended 31st March, 2021
Net cash flow from investing activities from Discontinuing Operations		10,530.50	(2,279.27)
Net cash flow from investing activities - Continuing and Discontinuing Operations	(B)	**15,385.04**	**(2,458.74)**
Cash flow from financing activities			
Issue of Equity shares		-	34.00
Repayment of non-current borrowings		(2.40)	(10.08)
Short-term borrowings (net)		(5,131.93)	1,014.01
Increase/decrease in other bank balances		-	1.12
Lease liability paid		(5,976.36)	(5,537.95)
Interest paid		(4,281.35)	(1,351.08)
Net cash flow from financing activities		**(15,392.04)**	**(5,849.98)**
Net cash flow from financing activities from Discontinuing Operations		(7,336.65)	2,197.04
Net cash flow from financing activities - Continuing and Discontinuing Operations	(C)	**(22,728.69)**	**(3,652.94)**
Net (decrease)/increase in cash and cash equivalents (A + B + C)		**(356.35)**	**(196.28)**
Cash and cash equivalents as at the beginning of the year from continuing operations		915.24	839.58
Cash and cash equivalents as at the beginning of the year from discontinuing operations		240.66	512.60
Less: Cash and cash equivalents from discontinuing operations		(0.53)	(240.66)
Cash and cash equivalents as at the end of the year from continuing operations (Refer Note No. 15)		**799.02**	**915.24**

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

Particulars	Long term Borrowings	Short term Borrowings
As at 1st April, 2021	99,751.89	11,909.35
Less: Transaction cost	191.86	-
Add/Less: Non cash items	(17,609.74)	(2,156.60)
Less: Cash flow	(2.40)	(5,131.93)
As at 31st March, 2022	82,331.61	4,620.82

Notes:

1. Bracket indicates cash outflow.
2. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flow.

Notes to the financial statements 1 to 81

As per our report of even date

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Notes to the Consolidated financial statements for the year ended 31st March, 2022

1 Corporate Information

Arshiya Limited (hereinafter referred to "the Parent Company" or "the Company") (CIN: L93000MH1981PLC024747) together with its subsidiaries (collectively referred to as "Group") is a flagship Company of Arshiya Group. It is pioneering Unified Supply Chain and integrated logistics infrastructure solution provider Group headquartered in India. The group businesses comprises of Free Trade and Warehousing Zone (FTWZ), Forwarding, Transport and Handling, Supply Chain and Management solutions, additional sector i.e. Electronic Hardware and Software (including IT / ITES).

The Company is a public company in India and is incorporated on 3rd July, 1981 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 205 & 206 (Part), 2nd Floor, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

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

The Consolidated financial statements for the year ended 31st March, 2022 were approved and adopted by board of directors in their meeting held on 30th May, 2022. These statements comprises of Consolidated Financial Statements ("CFS") of Arshiya limited and its subsidiaries for the year ended 31st March, 2022.

The Consolidated financial statements for the period from 1st April, 2019 upto 31st March 2021 have been restated pursuant the Scheme of Arrangement (Scheme) approved by National Company Law Tribunal, Mumbai Bench (NCLT) vide it's order dated 21st January, 2022. The Scheme became effective by filing the certified copy of order with Registrar of Companies on 2nd February, 2022 with the Appointed date of the scheme is 1st April, 2019 (Refer Note No. 52).

2 Basis of preparation of consolidated financial statement

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

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value / amortized cost.

The consolidated financial statements are presented in Indian Rupees (₹) which is the Group's functional and presentation currency and all values are rounded to the nearest lakh as per the requirement of schedule III of the Act, unless when otherwise indicated.

3 Basis for Consolidation

The consolidated financial statements comprise of the financial statements of the Parent Company and its subsidiaries as at 31st March, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements from the date the Group obtains control and assets, liabilities, income and expenses of a subsidiary disposed off during the year are included in the consolidated financial statements till the date the Group ceases to control the subsidiary.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

The CFS includes the Financial Statements of the Parent Company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal.

S. No.	Name of the entity	Country of Incorporation	Proportion of interest (including beneficial interest)/ voting power (either directly/indirectly or through subsidiaries)		
	Direct Subsidiaries:		**31st March, 2022**	**31st March, 2021**	**1st April, 2020**
(i)	Arshiya Northern FTWZ Limited (ANFL)	India	100%	100%	100%
(ii)	Arshiya Lifestyle Limited (ALL)	India	100%	100%	100%
(iii)	Arshiya Logistics Services Limited (ALSL)	India	100%	100%	100%
(iv)	Arshiya Technologies (India) Private Limited (ATIPL)	India	100%	100%	100%
(v)	Anomalous Infra Private Limited (AIPL) (till 28th March, 2022)	India	Nil	100%	100%
(vi)	Arshiya Infrastructure Developers Private Limited (AIDPL)	India	100%	100%	100%
(vii)	Unrivalled Infrastructure Private Limited (UIPL)	India	100%	100%	100%
(viii)	Arshiya Northern Projects Private Limited (ANPPL)	India	100%	100%	100%
(ix)	Arshiya Data Centre Private Limited (ADCPL)	India	100%	100%	100%
(x)	AMD Business Support Services Private Limited (AMD) (w.e.f. 8th April, 2020 till 13th August, 2021)	India	Nil	100%	Nil
	Indirect Subsidiaries:				
	Held through Arshiya Logistics Services Limited:				
(xi)	Arshiya 3PL Services Private Limited (A3PL)	India	100%	100%	100%
(xii)	Arshiya Panvel Logistics Services Private Limited (APLSPL)	India	100%	100%	100%
(xiii)	Arshiya Distribution Hub Private Limited (APFTWZ) (w.e.f. 2nd July, 2021)	India	100%	Nil	Nil
	Held through Arshiya Lifestyle Limited:				
(xiv)	Arshiya Panvel FTWZ Services Private Limited (APFSL)	India	100%	100%	100%

4 Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The difference between the cost of investment in the subsidiaries and the Parent's share of net assets at the time of acquisition of control in the subsidiaries is recognised in the consolidated financial statement as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(c) Intra-Group balances and transactions, and any unrealized income and expenses arising from intra Group transactions, are eliminated in preparing the consolidated financial statements.

(d) Consolidated statement of Profit and Loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(e) For the acquisitions of additional interests in subsidiaries, where there is no change in the control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests, the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit and loss. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(f) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

(g) Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, if any, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

5 Significant Accounting Policies

5.1 Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.

Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Leasehold improvements are amortized over the period of lease. Depreciation on property, plant and equipment which are added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated and under the previous GAAP land was revalued.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of property, plant and equipment under construction / installation / under development as at the balance sheet date.

Property, plant and equipment are eliminated from consolidated financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of property, plant and equipment are recognised in the consolidated statement of profit and loss in the year of occurrence.

The Group has opted to continue with the carrying values of all of its Property, Plant and Equipment as recognised in the Previous GAAP financial statements as deemed cost at the transition date i.e. 1st April, 2016.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

5.2 Intangible Assets

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Cost of Enterprise Resource Planning (ERP) software including expenditure on implementation is to be amortized over a period of ten years based on management's estimate of useful life over which economic benefits will be derived from its use.

Computer softwares are capitalized at the amounts paid to acquire the respective license for use and are amortized over the period of three to seven years. The assets' useful lives are reviewed at each financial year end.

Trademark are amortised over the period of ten (10) years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

Intangible assets under development includes cost of computer software under installation / under development as at the balance sheet date.

The Group has opted to continue with the carrying values of all of its Intangible assets as recognised in the Previous GAAP financial statements as deemed cost at the transaction date i.e. 1st April, 2016.

5.3 Leases

The Group assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases). For these short term leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using its incremental borrowing rate as the discount rate.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

ROU assets and Lease liability have been separately presented in the Balance Sheet note 7b, 24 & 30 respectively and lease payments have been classified as financing cash flows.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

5.4 Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories comprises of cost of land and incidental cost thereto, cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the first in first out basis.

5.5 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand and short-term deposits, as defined above, net of outstanding bank overdrafts as which are considered an integral part of the Group's cash management.

5.6 Impairment of assets

An asset is considered as impaired when at the date of Balance Sheet, there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the consolidated statement of profit and loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

5.7 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets -Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

(ii) Financial assets - Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-

(a) Financial assets at fair value

(b) Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the consolidated statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

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

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

Notes to the Consolidated financial statements for the year ended 31st March, 2022

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

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

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

Financial assets - Derecognition

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Group has transferred its rights to receive cash flow from the asset.

(iii) Financial liabilities - Initial recognition and measurement:

The financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of financial instruments, or where appropriate, a shorter period.

Financial liabilities - Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are approximate at their fair value due to the short maturity of these instruments.

Financial Liabilities - Financial guarantee contracts

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

Financial Liabilities - Derecognition

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

Compound Instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. The liability component is subsequently measured

Notes to the Consolidated financial statements for the year ended 31st March, 2022

at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

5.8 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the consolidated statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Consolidated Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

5.9 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors.

5.10 Revenue recognition

Revenue is recognized upon transfer of control of goods or rendering of services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services.

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when the it becomes unconditional.

Lease income is recognised in the Consolidated Statement of Profit and Loss on straight line basis over the lease terms, unless there is another systematic basis which is more representative of the time pattern of the lease.

Revenue are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

(a) Free Trade Warehousing Zone (FTWZ)

(i) Income from allotment of warehousing spaces and open yard area for use are recognised for the period the material is lying in area as per agreed terms.

(ii) Revenue from valued optimisation services and other activities is recognised when related services are performed as per the contractual terms.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(b) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(c) Dividend income is recognised when the right to receive the payment is established, which is generally when shareholders approve the payment of dividend.

Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer of services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made Contract liabilities are recognised as revenue when the Group performs under the contract.

5.11 Foreign currency reinstatement and translation:

Transactions in foreign currencies are initially recorded by the Group at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates as on balance sheet date and the resulting exchange difference recognised in the consolidated statement of profit and loss. Differences arising on settlement of monetary items are also recognised in the consolidated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other finance gains / losses are presented in the consolidated statement of profit and loss on a net basis.

5.12 Employee benefits

Short term employee benefits are recognized as an expense in the consolidated statement of profit and loss of the year in which the related services are rendered.

(a) Defined Contribution Plan

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

(b) Defined Benefit Plan

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

The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from

Notes to the Consolidated financial statements for the year ended 31st March, 2022

experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in the consolidated statement of profit and loss.

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

5.13 Taxes on Income

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

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

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

5.14 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

5.15 Earnings per Share

Basic earnings per share is computed using the net profit/loss for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit/loss for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

5.16 Current and non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. The Group has presented non-current assets and current assets, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

An asset is classified as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Expected to be realised within twelve months after the reporting period, or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

(a) Expected to be settled in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Due to be settled within twelve months after the reporting period, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has identified twelve months as its normal operating cycle.

5.17 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy.

5.18 Off-setting financial Instrument

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

Notes to the Consolidated financial statements for the year ended 31st March, 2022

5.19 Segment Reporting - Identification of Segments

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

5.20 Contributed Equity

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

5.21 Share Based Payment

Equity settled share based payments to employees providing services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity share based payments transactions are set out in Note 58.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Parent Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Parent Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Consolidated Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

5.22 Cash flow statement

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

5.23 Business combinations

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

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

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

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

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

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

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

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

Notes to the Consolidated financial statements for the year ended 31st March, 2022

5.24 Assets (or disposal group) held for sale and discontinued operations

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of de-recognition.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject to terms that are usual and customary for sales of such assets, its sale is highly probable and it will genuinely be sold.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated balance sheet.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit and loss.

6 Significant accounting judgements, estimates and assumptions

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

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

6.1 Property, plant and equipment and Intangible Assets

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

6.2 Income Tax

The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

6.3 Contingencies

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

6.4 Impairment of financial assets

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

6.5 Impairment of non-financial assets

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

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

6.6 Defined benefits plans

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

6.7 Recoverability of trade receivable

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

6.8 Provisions

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

6.9 Fair value measurement of financial instruments

"When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

6.10 Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and / or require separate disclosure in accordance with Ind AS. The determination as to which items should be disclosed separately requires a degree of judgement. The details of exceptional items are set out in note 42.

6a Recent Accounting pronouncements

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 01, 2022.

- Ind AS 101 – First time adoption of Ind AS
- Ind AS 103 – Business Combination
- Ind AS 109 – Financial Instrument
- Ind AS 16 – Property, Plant and Equipment
- Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 41 – Agriculture

The Group does not expect the consequential amendments to have any significant impact in its consolidated financial statements.

Notes to the financial statements for the year ended 31st March, 2022

7 (a). Property, Plant and Equipment

(₹ in Lakh)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Equipments	Computers	Leasehold Improvements	Total
Gross Carrying Value									
As at 1st April, 2020	**88,466.49**	**47,155.53**	**5,934.89**	**379.82**	**60.13**	**1,451.14**	**100.93**	**-**	**1,43,548.93**
Additions	-	-	3.63	1.17	11.26	7.14	21.51	-	44.71
Disposals	-	(279.27)	-	-	(2.20)	(511.33)	-	-	(792.80)
As at 31st March, 2021	**88,466.49**	**46,876.26**	**5,938.52**	**380.99**	**69.19**	**946.95**	**122.44**	**-**	**1,42,800.84**
Additions	-	-	29.25	-	-	5.48	23.69	42.56	100.98
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March, 2022	**88,466.49**	**46,876.26**	**5,967.77**	**380.99**	**69.19**	**952.43**	**146.13**	**42.56**	**1,42,901.82**
Accumulated Depreciation									
As at 1st April, 2020	**-**	**6,845.73**	**2,304.91**	**236.97**	**31.95**	**980.36**	**63.92**	**-**	**10,463.84**
Depreciation for the year	-	1,626.21	579.29	55.57	5.35	155.08	9.16	-	2,430.66
Disposals	-	(23.44)	-	-	(1.86)	(432.33)	-	-	(457.63)
As at 31st March, 2021	**-**	**8,448.50**	**2,884.20**	**292.54**	**35.44**	**703.11**	**73.08**	**-**	**12,436.87**
Depreciation for the year	-	1,401.65	580.04	48.37	4.33	53.57	16.33	3.79	2,108.08
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March, 2022	**-**	**9,850.15**	**3,464.24**	**340.91**	**39.77**	**756.68**	**89.41**	**3.79**	**14,544.95**
Net Carrying value as at 31st March, 2022	**88,466.49**	**37,026.11**	**2,503.53**	**40.08**	**29.42**	**195.75**	**56.72**	**38.77**	**1,28,356.87**
Net Carrying value as at 31st March, 2021	**88,466.49**	**38,427.76**	**3,054.32**	**88.45**	**33.75**	**243.84**	**49.36**	**-**	**1,30,363.97**
Net Carrying value as at 1st April, 2020	**88,466.49**	**40,309.80**	**3,629.98**	**142.85**	**28.18**	**470.78**	**37.01**	**-**	**1,33,085.09**

Notes:

1) Freehold Land includes ₹ 9,735.11 Lakh (~108 Acres) situated at Nagpur, which is under possession of a lender as per the Order of Hon'ble High Court of Bombay dated 9th May, 2013. (Refer Note No.49)
2) In accordance with the Indian Accounting Standard (IND AS -36) on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2022.
3) For details of securities charged on above property, plant and equipment, refer note no. 23 and 28.

Notes to the financial statements for the year ended 31st March, 2022

7 (b). Right of Use Assets

(₹ in Lakh)

Particulars	Building	Plant and Equipments	Total
Gross Carrying Value			
As at 1st April, 2020	**21,980.34**	**-**	**21,980.34**
Additions	594.69	-	594.69
Modification during the year	(562.98)	-	(562.98)
As at 31st March, 2021	**22,012.05**	**-**	**22,012.05**
Addition during the year	11,605.13	25.07	11,630.20
Modification during the year	-	-	-
As at 31st March, 2022	**33,617.18**	**25.07**	**33,642.25**
Accumulated Depreciation			
As at 1st April, 2020	**4,539.25**	**-**	**4,539.25**
Depreciation for the year	4,526.43	-	4,526.43
Modification during the year	(55.95)	-	(55.95)
As at 31st March, 2021	**9,009.73**	**-**	**9,009.73**
Depreciation for the year	4,729.04	3.48	4,732.52
Modification during the year	-	-	-
As at 31st March, 2022	**13,738.77**	**3.48**	**13,742.25**
Net Carrying value as at 31st March, 2022	**19,878.41**	**21.59**	**19,900.00**
Net Carrying value as at 31st March, 2021	**13,002.32**	**-**	**13,002.32**
Net Carrying value as at 1st April, 2020	**17,441.09**	**-**	**17,441.09**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
8. Capital Work-in-Progress			
Capital Work-in-Progress (Refer below notes)	221.44	135.00	-
Total	**221.44**	**135.00**	**-**

Notes:

(i) Capital work in progress ageing:

(₹ in Lakh)

Project in progress	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Less than 1 year	86.44	135.00	-
1 to 2 years	135.00	-	-
2 to 3 years	-	-	-
More than 3 years	-	-	-
Total	**221.44**	**135.00**	**-**

(ii) Expenditure for construction of warehouse during the year is ₹ 12.29 Lakhs (31st March, 2021 - ₹ Nil and 1st April, 2020 - ₹ Nil)

(₹ in Lakh)

Particulars	Trade Mark	Computer Software	Total
9. Intangible Assets			
Gross Carrying Value			
As at 1st April, 2020			
Additions	0.49	2,210.19	2,210.68
Deductions	-	-	-
As at 31st March, 2021	**0.49**	**2,210.19**	**2,210.68**
Additions	-	-	-
Deductions	-	-	-
As at 31st March, 2022	**0.49**	**2,210.19**	**2,210.68**
Accumulated Amortisation			
As at 1st April, 2020	**0.49**	**1,354.49**	**1,354.98**
Amortisation for the year	-	340.85	340.85
Deductions	-	-	-
As at 31st March, 2021	**0.49**	**1,695.34**	**1,695.83**
Amortisation for the year	-	340.85	340.85
Deductions	-	-	-
As at 31st March, 2022	**0.49**	**2,036.19**	**2,036.68**
Net Carrying value as at 31st March, 2022	**-**	**174.00**	**174.00**
Net Carrying value as at 31st March, 2021	**-**	**514.85**	**514.85**
Net Carrying value as at 1st April, 2020	**-**	**855.70**	**855.70**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Non- Current Financial Assets			
10. Loan			
Unsecured, considered good unless otherwise stated			
Loan to related party (Refer Note No.64)	1,404.34	325.00	325.00
Total	**1,404.34**	**325.00**	**325.00**
11. Other Financial Assets			
Security Deposits	3,022.08	2,222.41	1,998.45
Interest receivables	50.23	-	-
Total	**3,072.31**	**2,222.41**	**1,998.45**
Non-Current Assets			
12. Other Non- Current Assets			
Capital Advances			
Considered good	-	-	-
Considered doubtful	-	-	1,395.00
	-	**-**	**1,395.00**
Less: Provision for impairment	-	-	(1,395.00)
	-	**-**	**-**
Prepaid expenses	30.58	66.81	76.98
TDS receivables/Taxes paid	790.49	1,051.96	1,268.56
Total	**821.07**	**1,118.77**	**1,345.54**
Current Assets			
13. Inventories			
(Valued at lower of Cost and Net Realisable value)			
Land	12,537.34	12,537.34	12,537.34
Total	**12,537.34**	**12,537.34**	**12,537.34**
Current Financial Assets			
14. Trade Receivables			
Secured, Considered good	182.59	197.21	197.45
Unsecured, Considered good	3,838.24	2,365.33	1,454.71
Trade Receivables which have significant increase in credit risk	520.19	363.72	180.31
Trade Receivables which have significant increase in credit impaired	52.74	64.05	69.47
	4,593.76	**2,990.31**	**1,901.94**
Less: Provision for expected credit losses	(572.93)	(427.77)	(249.78)
Total	**4,020.83**	**2,562.54**	**1,652.16**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Trade Receivable ageing schedule:			
Outstanding for followings from due date of payment			
Undisputed, considered good			
Not due	1,052.33	533.39	619.45
Less than 6 months	1,940.13	1,404.76	900.05
6 month to 1 year	553.18	500.96	119.51
1 to 2 years	272.04	120.91	9.46
2 to 3 years	201.72	2.52	3.69
More than 3 years	1.43		
Total	**4,020.83**	**2,562.54**	**1,652.16**
Undisputed Trade Receivables which have significant increase in credit risk			
Not due	-	-	-
Less than 6 months	93.45	91.97	121.14
6 month to 1 year	289.13	216.68	58.63
1 to 2 years	87.95	55.07	-
2 to 3 years	49.66	-	0.54
More than 3 years	-		-
Total	**520.19**	**363.72**	**180.31**
Undisputed Trade Receivables which have significant increase in credit impaired			
Not due	-	-	-
Less than 6 months	-	-	7.61
6 month to 1 year	-	12.49	17.69
1 to 2 years	14.37	25.81	31.31
2 to 3 years	18.56	25.75	12.86
More than 3 years	19.81	-	-
Total	**52.74**	**64.05**	**69.47**
Disputed Trade Receivables	-	-	-
Total	-	-	-

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
15. Cash and Cash Equivalents			
Balances with banks:			
- in current accounts #	786.39	914.65	837.87
Cash on hand	12.63	0.59	1.71
Total	**799.02**	**915.24**	**839.58**

Cash and cash equivalents as at 31st March, 2022 comprises of restricted bank balances held in escrow account with bank amounting to ₹ 741.54 Lakh (31st March, 2021 - ₹ 860.46 Lakh and 1st April, 2020 - ₹ 784.65 Lakh). This account can only be operated with the specific permission / instruction in terms of the Escrow Agreement.

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
16. Other Bank Balances			
Deposits with banks to the extent held as margin money	15.03	15.03	16.15
Total	**15.03**	**15.03**	**16.15**
17. Loans			
Unsecured, considered good unless otherwise stated			
Loans to Subsidiaries (Refer Note No. 64)	325.00	-	-
Total	**325.00**	**-**	**-**

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
18. Other Financial Assets			
Security deposits	4,567.11	3,078.02	3,078.02
Unbilled revenue	2,365.04	2,755.45	2,131.86
Interest accrued on fixed deposits	32.62	29.44	25.65
Interest receivables	124.02	83.07	41.17
Other recoverables	1,188.82	353.94	1,111.14
Total	**8,277.61**	**6,299.92**	**6,387.84**
19. Other Current Assets			
Advances to suppliers	1,025.64	2,765.41	16.34
Advances to employees	20.56	60.95	0.69
Prepaid expenses	60.86	107.75	60.13
Balances with Statutory, Government authorities	52.70	174.76	405.63
VAT Refund receivables (Refer Note No. 53)	2,191.10	2,231.02	1,876.65
Total	**3,350.86**	**5,339.89**	**2,359.44**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
20. Assets held for sale (Refer Note No. 55)			
Property, Plant and Equipment	7,068.22	11,472.22	11,472.22
Capital Work-in-Progress (Refer Note No. 20.1 & 20.2)	-	6,927.84	2,603.99
Capital Advance	-	180.88	705.04
Loan to Related Parties		-	3.70
TDS receivables/Taxes paid	-	0.93	0.59
Balances with banks in current account	0.53	40.66	212.60
Fixed deposit with bank (original maturity up to 3 Months)	-	200.00	300.00
Deposit with bank (original maturity more than 3 months but up to 12 months) (Refer Note No. 20.3)	-	20.00	20.00
Interest accrued on fixed deposits	-	2.73	2.63
Advances to supplier	-	0.05	0.01
Balances with Statutory, Government authorities	-	0.08	0.05
Total	**7,068.75**	**18,845.39**	**15,320.83**

Notes:

(20.1) Capital Work-in-Progress

(i) Expenditure for construction of warehouse during the year is ₹ Nil (31st March, 2021 - ₹ 3,632.85 Lakh and 1st April 2020 - ₹ 2,407.95 Lakh).

(ii) Borrowing cost capitalised during the year of ₹ Nil (31st March, 2021 - ₹ 702.96 Lakh and 1st April 2020 - ₹ 201.96 Lakh).

(iii) Interest income earned on the funds temporarily invested during the year is ₹ Nil (31st March, 2021 - ₹ 11.96 Lakh and 1st April, 2020 - ₹ 5.92 Lakh).

(iv) During the year, assets capitalized w.e.f. 1st August, 2021.

(20.2) Capital work in progress ageing:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Less than 1 year	-	4,323.85	2,600.39
1 to 2 years	-	2,600.39	3.60
2 to 3 years	-	3.60	-
More than 3 years	-	-	-
Total	**-**	**6,927.84**	**2,603.99**

(20.3) Deposit with bank as at March 31, 2021 is restricted, which can only be operated with the specific permission / instructions in terms of the Debenture Trust Deed entered into by AIPL with Ascendas IT Park (Chennai) Limited (Debenture holder).

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
21. Share Capital			
Authorised			
(i) 28,75,00,000 (31st March, 2021 - 28,75,00,000 and 1st April, 2020 - 28,75,00,000) Equity Shares of ₹ 2 each	5,750.00	5,750.00	5,750.00
(ii) 30,00,000 (31st March, 2021 - 30,00,000 and 1st April, 2020 - 30,00,000) 0% Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each	300.00	300.00	300.00
Total	**6,050.00**	**6,050.00**	**6,050.00**
Equity Share Capital - issued, subscribed and fully paid			
26,22,75,915 (31st March, 2021 - 26,22,75,915 and 1st April, 2020 - 25,80,75,915) Equity shares of ₹ 2 each	5,245.52	5,245.52	5,161.52
Total	**5,245.52**	**5,245.52**	**5,161.52**

(a) Terms and rights

(i) Terms and rights attached to equity shares

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

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

(ii) Terms and rights attached to 0% Optionally Convertible Redeemable Preference Shares (OCRPS)

The Parent Company has 0% optionally convertible redeemable preference shares having a par value of ₹ 10 per share. Each holder of OCRPS has right / entitled to convert into equity shares within 18 months from the date of issue or redemption from the end of 19th year to 23rd years as per terms.

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

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

Particulars	Number of Shares	₹ in Lakh
Balance as at 1st April 2020	**25,80,75,915**	**5,161.52**
Add: Issued during the year	42,00,000	84.00
Balance as at 31st March, 2021	**26,22,75,915**	**5,245.52**
Add: Issued during the year	-	-
Balance as at 31st March, 2022	**26,22,75,915**	**5,245.52**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

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

Particulars	Number of Shares	₹ in Lakh
Balance as at 1st April 2020	**80,000**	**8.00**
Add: Issued during the year	-	-
Less: Converted into equity shares during the year	(80,000)	(8.00)
Balance as at 31st March, 2021	**-**	**-**
Add: Issued during the year	-	-
Balance as at 31st March, 2022	**-**	**-**

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

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

Name of the shareholder	Number of equity shares	Percentage (%) shareholding
As at 1st April 2020		
Archana A Mittal	8,85,59,788	34.32%
Ajay S Mittal	3,83,56,437	14.86%
Edelweiss Asset Reconstruction Company Limited (through various EARC trusts)	5,95,59,820	23.08%
As at 31st March 2021		
Archana A Mittal	8,60,59,788	32.81%
Ajay S Mittal	3,83,56,437	14.62%
Edelweiss Asset Reconstruction Company Limited (through various EARC trusts)	6,20,59,820	23.66%
As at 31st March 2022		
Archana A Mittal	6,42,37,278	24.49%
Ajay S Mittal	3,83,56,437	14.62%
Edelweiss Asset Reconstruction Company Limited (through various EARC trusts)	6,00,59,821	22.90%

(ii) Details of Shareholding of Promoters

Name of the shareholder	Number of Shares	Percentage (%) shareholding	% Change during the year
As at 31st March 2022			
Archana A Mittal	6,42,37,278	24.49%	-8.32%
Ajay S Mittal	3,83,56,437	14.62%	0.00%
As at 31st March 2021			
Archana A Mittal	8,60,59,788	32.81%	-1.50%
Ajay S Mittal	3,83,56,437	14.62%	-0.24%

Promoter’s shareholding decreased in compared to previous year due to invocations / sale of shares pledged.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(iii) Details of OCRPS held by the shareholders holding more than 5% of the aggregate shares in the Parent Company

Name of the shareholder	Number of equity shares	Percentage (%) shareholding
As at 1st April 2020		
Edelweiss Asset Reconstruction Company Limited (EARC Trust SC 334)	80,000	100%
As at 31st March 2021		
Edelweiss Asset Reconstruction Company Limited (EARC Trust SC 334)	-	-
As at 31st March 2022		
Edelweiss Asset Reconstruction Company Limited (EARC Trust SC 334)	-	-

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
22. Other Equity			
(i) Equity Component of Compounded Financial Instruments			
Balances as at the beginning of the year	-	690.91	-
Less: On issue of Equity Shares	-	(690.91)	-
Balances as at the end of the year	**-**	**-**	**690.91**
(ii) Capital Reserve			
Balances as at the beginning and end of the year	1.58	1.58	1.58
(iii) Amalgamation Reserve			
Balances as at the beginning and end of the year	124.80	124.80	124.80
<u>**Reserve and Surplus**</u>			
(iv) Securities Premium Account			
Balances as at the beginning of the year	60,703.59	59,691.96	-
Add: On issue of Equity Shares	-	1,011.63	-
Balances as at the end of the year	**60,703.59**	**60,703.59**	**59,691.96**
(v) Employee Stock Options Reserve (Refer Note No. 65)			
Balances as at the beginning of the year	-	45.01	-
Add: Share based payment	347.66	216.62	-
Less: On issue of Equity Shares	-	(261.63)	-
Balances as at the end of the year	**347.66**	**-**	**45.01**
(v) General Reserve			
Balances as at the beginning and end of the year	940.18	940.18	940.18

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
(vii) Deficit in the Statement of Profit and Loss			
Balances as at the beginning of the year	(78,524.10)	(57,694.80)	-
Less: Loss for the year	42,390.77	(20,545.70)	-
Less: Other comprehensive income	(7.38)	4.76	-
Less: Others (net)	-	(288.37)	-
Balances as at the end of the year	**(36,140.71)**	**(78,524.10)**	**(57,694.80)**
Total (i to vii)	**25,977.10**	**(16,753.96)**	**3,799.64**

Nature and purpose of Reserve and Surplus:

(a) Securities Premium Account:

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

(b) General Reserve:

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

(c) Amalgamation Reserve:

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

(d) Employee Stock Options Reserve:

Employee stock reserve is created on account of Employee Stock Option granted to the Group employees.

(e) Retained Earning:

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

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Non-Current Liabilities			
23. Borrowings			
Secured			
(a) Term Loans			
From Banks	-	224.36	301.29
From Other Parties (Refer Note No. 23.1)	18,380.67	45,265.54	62,358.11
(b) Vehicles Loan from bank (Refer Note No. 23.2)	2.21	5.02	7.29
Liability Component of Compound Financial Instruments (OCRPS)	-	-	114.41
Total	**18,382.88**	**45,494.92**	**62,781.10**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

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

23.1 Rupee Term loans from Other Parties

23.1.1 Parent Company

(1) Rupee term loan of ₹ 38,390.67 Lakh (31st March, 2020 - ₹ 59,821.72 Lakh and 1st April, 2020 - ₹ 59,667.70 Lakh) (Refer Note No. 51.1):

(a) Security provided:

(i) First charge in all the present and future movable and immovable property, plant and equipment including intangible assets, assignment of rights and benefits of the Parent Company but excluding project assets for Khurja FTWZ project, Khurja Distiripark Project, Nagpur project and Rail project on pari passu basis.

(ii) Second charge on current assets of the Parent Company but excluding current assets for khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.

(iii) first pari passu charge by way of hypothecation on the Panvel Receivables both existing and future of whatsoever nature.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The loans are secured by pledged of shares held by the two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

Rate of Interest is @ 12% p.a. monthly accrual.

(c) Terms of Repayment:-

Year	**₹ in Lakh**
FY 2021-22	2,510.00
FY 2022-23	17,500.00
FY 2023-24	18,500.00
Total	**38,510.00**

(d) The Parent Company has been in default for the repayment of principal amount of ₹ 2,510.00 Lakh.

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 119.33 Lakh (31st March, 2021 - ₹ 255.33 Lakh and 1st April, 2020 - ₹ 409.35 Lakh).

Notes to the Consolidated financial statements for the year ended 31st March, 2022

23.1.2 ANFL

(1) Rupee term loan from Other Parties of ₹ 14,944.14 Lakh (31st March, 2021 - ₹ 10,938.98 Lakh and 1st April, 2020 - ₹ 10,798.57 Lakh) (Refer Note No. 51.1):

(a) Security provided:

(i) First charge on fixed assets of ANFL both present and future on pari passu basis.

(ii) First Pari Passu charge/assignment/security interest on the ANFL's rights under the project documents, contracts (including guarantees) and all licenses, permits, approvals, consents and insurance policies.

(iii) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance under any project agreement or contract in favour of ANFL.

(iv) Second charge on current assets of ANFL.

(v) Pledge of 40,52,778 equity shares of ANFL held by the Parent Company.

(vi) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(vii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

Rate of Interest is @ 12% p.a. compounded monthly.

(c) Terms of Repayment:-

Date	**₹ in Lakh**
30th June 2022	10,000.00
31st December 2022	5,000.00
Total	**15,000.00**

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ 55.86 Lakh (31st March, 2021 - ₹ 207.27 Lakh and 1st April, 2020 - ₹ 347.68 Lakh).

23.2 Vehicle loans from Bank

Two vehicle loans are secured by way of hypothecation of vehicles. Rate of interest for both the loan is @ 8.55% p.a. and repayment tenure in monthly instalment up to October 2023 and January 2024 respectively.

(₹ in Lakh)

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 1st April, 2020**
24. Lease Liabilities			
Lease Liabilities (Refer Note No.45)	14,974.85	10,354.86	13,675.56
Total	**14,974.85**	**10,354.86**	**13,675.56**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
25. Other Financial Liabilities			
Financial Liabilities at amortised cost			
Security deposit from customers	865.74	893.12	91.77
Financial guarantees obligations	3.70	309.98	635.31
Total	**869.44**	**1,203.10**	**727.08**
26. Provisions			
Provision for employee benefits (Refer Note No.47)			
Gratuity	87.57	77.91	86.14
Leave encashment	29.98	28.92	34.10
Total	**117.55**	**106.83**	**120.24**
27. Other Non-Current Liabilities			
Advance warehouse rent	2.94	64.43	8.98
Total	**2.94**	**64.43**	**8.98**

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Current Financial Liabilities			
28. Borrowings			
Secured			
(a) Working Capital facility (Cash Credit from banks) (Refer Note No. 28.1)	63.30	63.30	63.30
(b) Loan from Other Parties (Refer Note No. 28.2)	4,322.18	9,019.16	9,024.05
(c) Current maturities of long term debts from banks (Refer Note No. 28.3)	17,241.41	17,009.05	16,937.40
(d) Current maturities of long term debts from other parties (Refer Note No. 28.4)	46,704.14	37,245.16	19,796.08
(e) Current maturities of vehicle loan	3.17	2.76	2.08
Unsecured			
(a) Loans from Promoter Directors (Refer Note No. 28.5)	152.60	288.40	247.33
(b) Inter Corporate Deposits (Refer Note No. 28.6)	77.00	77.00	77.00
(c) Loans from Related Party (Refer Note No. 28.7)	5.75	2,461.49	1,597.50
Total	**68,569.55**	**66,166.32**	**47,744.74**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

28.1 Working capital facility (Cash Credit) from bank:

28.1.1 ANFL

(1) ₹ 63.30 Lakh (31st March, 2021 - ₹ 63.30 Lakh and 1st April, 2020 - ₹ 63.30 Lakh):

(a) Securities provided:

(i) First charge on entire current assets of ANFL both present and future on pari passu basis.

(ii) Second pari passu charge on the assets charged for term loan of ANFL on first pari passu charge to lenders.

(iii) Pledge of 40,52,778 equity shares of ANFL held by the Parent Company.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of interest:

Rate of interest on working capital is @ 14% p.a.

(c) ANFL has been in continuing default for the repayment of outstanding principal loan amount of ₹ 63.30 Lakh since FY 2014-15.

(28.2) Loan from Other Parties:

28.2.1 Parent Company

(1) Loan of ₹ 3,722.18 Lakh (31st March, 2021 - ₹ 8,474.04 Lakh and 1st April, 2020 - ₹ 8,474.04 Lakh)

(a) Securities provided

- Priority charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of the Parent Company as per the Deed of Hypothecation.

- The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of interest: @ 18% p.a.

(c) The Parent Company has been in default for the repayment of outstanding principal loan amount of ₹ 3,722.18 Lakh (31st March, 2021 - ₹ 8,474,05 Lakh and 1st April, 2020 - ₹ 8,474.05 Lakh) since 30th June 2018.

(2) Loan of ₹ 600.00 Lakh (31st March, 2021 - ₹ 545.11 Lakh and 1st April, 2020 - ₹ 550 Lakh) (Refer Note No. 51.3)

(a) Securities provided

- Exclusive charges on cash flows of Domestic warehousing building.

- The above loans are secured by mortgage over lands admeasuring 6,340 Sq. mt. of the Parent Company and wholly owned subsidiary company and 790 Sq. mt. of Arshiya Rail Infrastructure Limited.

- The above loans are secured by personal guarantees of two Promoter Director of the Parent Company.

- The above loans are secured by corporate guarantees of Arshiya Rail Infrastructure Limited and Arshiya Northern FTWZ Limited.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(b) Terms of interest: @ 11% p.a.

(c) Terms of Repayment:-

Year	₹ in Lakh
25th April, 2022	200.00
25th June, 2022	200.00
25th August, 2022	200.00
Total	**600.00**

(d) The Parent Company has been in default for the repayment of outstanding principal loan amount of ₹ Nil (31st March, 2021 - ₹ 550.00 Lakh and 1st April, 2020 - ₹ 550.00 Lakh).

(28.3) Rupee Term loan from Banks:

28.3.1 Parent Company

(1) Rupee loan of ₹ 1,471.41 Lakh (31st March, 2021 - ₹ 1,463.41 Lakh and 1st April, 2020 - ₹ 1,463.41 Lakh) (Refer Note No. 51.2):

(a) Securities provided:

- Second charge on movable and immovable property, plant and equipments of the Parent Company, present and future on pari-passu.

- The above loan is secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Interest rate:

Rate of interest is @ 12.35% to 12.45% p.a.

(c) Terms of Repayment

Rupee term loan is repayable on or before 30th June 2022.

(d) The bank has been in default for the repayment of principal amount of ₹ Nil (31st March, 2021 - ₹ 1,463.41 Lakh and 1st April, 2020 - ₹ 1,463.41 Lakh).

(2) Rupee loan of ₹ 3,200.00 Lakh (31st March, 2021 - ₹ 3,200.00 Lakh and 1st April, 2020 - ₹ 3,196.80 Lakh):

(a) Details of security

(i) Second charge on movable and immovable Panvel assets of the Parent Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Parent Company .

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(b) Terms of Interest rate

Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment

Rupee term loan is repayable in Bullet payment at the end of the tenure of loan i.e. 36 months from the date of disbursement i.e. 21st March, 2018.

(d) The Parent Company has been in default for the repayment of principal amount of ₹ 3,200.00 Lakh since FY 2020-21.

(e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2021 - ₹ Nil and 1st April, 2020 - ₹3.20 Lakh).

(3) Rupee term loan of ₹ 474.30 Lakh (31st March, 2021 - ₹ 474.30 Lakh and 1st April, 2020 - ₹ 474.30 Lakh):

(a) Details of security

(i) Second charge on movable and immovable Panvel assets of the Parent Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Parent Company.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in 78 equal monthly instalment commencing from the date of first disbursement i.e. 31st August, 2018.

(d) The Parent Company has been in default for the repayment of principal amount of ₹ 474.30 Lakh (31st March, 2021 - ₹ 173.02 Lakh and 1st April, 2020 - ₹ 96.09 Lakh).

28.3.2 ANFL

(1) **Rupee Term loans - ₹ 12,095.70 Lakh (31st March, 2021 - ₹ 12,095.70 Lakh and 1st April, 2020 - ₹ 12,104.18 Lakh):**

(a) Securities provided:

(i) First charge on fixed assets of ANFL both present and future on pari passu basis.

(ii) First Pari Passu charge/assignment/security interest on the ANFL's rights under the project documents, contracts (including guarantees) and all licenses, permits, approvals, consents and insurance policies.

(iii) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance under any project agreement or contract in favour of ANFL.

(iv) Second charge on current assets of ANFL.

(v) Pledge of 40,52,778 equity shares of ANFL held by the Parent Company.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(vi) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(vii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

Rate of interest is @ 13% p.a.

(c) Terms of Repayment:- (₹ in Lakh)

Year	₹ in Lakh
FY 2012-2013	595.74
FY 2013-2014	1,410.23
FY 2014-2015	1,680.76
FY 2015-2016	8,408.97
Total	**12,095.70**

(d) The Banks has been recalled loan of ₹ 12,095.70 Lakh (31st March, 2020 - ₹ 12,095.70 Lakh and 1st April, 2020 - ₹ 12,104.18 Lakh).

Details of default in repayment of principal on secured loans as on 31st March, 2022 are as follows:

Year	₹ in Lakh
FY 2012-2013	595.74
FY 2013-2014	1,410.23
FY 2014-2015	1,680.76
FY 2015-2016	8,408.97
Total	**12,095.70**

(28.4) Term loans from Other Parties

28.4.1 Parent Company

(1) Loan of ₹ 5,000.00 Lakh (31st March, 2021 - ₹ 5,000.00 Lakh and 1st April, 2020 - ₹ 5,000.00 Lakh) (Refer Note No. 49)

(i) Secured by first and exclusive charge on land situated at Village Butibori at Nagpur, Maharashtra.

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

(iii) Rate of interest is @ 20% p.a.

(2) Loan of ₹ 2,000.00 Lakh (31st March, 2021 - ₹ 2,000.00 Lakh and 1st April, 2020 - ₹ 2,000.00 Lakh) (Refer Note No. 50)

(i) 'Secured by first and exclusive charge on land of Arshiya Rail Infrastructure Limited situated at Khurja, Bulandshahr, Uttar Pradesh.

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

(iii) Rate of interest is @ 18% p.a.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(3) Rupee term loan of ₹ 2,650.00 Lakh (31st March, 2021 - ₹ 2,650.00 Lakh and 1st April, 2020 - ₹ 2,596.65 Lakh):

(a) Securities provided

(i) Second charge by way of equitable mortgage/hypothecation on the entire immovable and movable property, plant and equipment of the Parent Company on pari-passu basis.

(ii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

'(b) Terms of Repayment:-

Rupee term loan is repayable in 13 structured quarterly instalments commencing from 31st January, 2018.

'(c) The Parent Company has been in default for the repayment of principal amount of ₹ 2,650.00 Lakh. (31st March, 2021 - ₹ 2,650.00 Lakh and 1st April, 2020 - ₹ 1,910.00 Lakh).

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2021 - ₹ Nil and 1st April, 2020 - ₹ 53.35 Lakh).

(4) Rupee term loan of ₹ 2,100.00 Lakh (31st March, 2021 - ₹ 2,100.00 Lakh and 1st April, 2020 - ₹ 2,091.27 Lakh)

(a) Securities provided

(i) The above loan are secured by charge on residual cashflow of the Parent Company.

(ii) The above loans are secured by the immovable property held by one Promoter Director of the Parent Company on pari passu basis.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(iv) The above loans are secured by pledged of shares held by the one Promoter Director of the Parent Company.

(b) Terms of Interest rate

Rate of Interest is @ 18% p.a.compounded half yearly.

(c) The above loan is assigned to Assets Reconstruction Company (ARC) in the financial year 2021-22.

The Parent Company continues to provide interest in line with major terms of earlier sanction letter until the finalisation of the restructuring agreement. Upon finalization of the terms of restructuring with ARC, the Company shall record the effect of the revised terms as to the repayment of principal and interest.

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2021 - ₹ Nil and 1st April, 2020 - ₹ 8.73 Lakh).

(28.5) Unsecured Loan from Promoter Directors:

(28.5.1) Parent Company

Loans from promoter directors of the Parent Company are interest free and repayable on demand.

(28.6) Unsecured Loan Inter Corporate Deposits:

Notes to the Consolidated financial statements for the year ended 31st March, 2022

28.6.1 Parent Company

Intercorporate Deposit of ₹ 77 Lakh (31st March, 2021 - ₹ 77 Lakh and 1st April, 2020 - ₹ 77 Lakh) is interest free and repayable on demand.

(28.7) Unsecured Loan from Related Party:

28.7.1 Parent Company

Unsecured loan from related party is interest free and repayable at the end of one year.

28.7.2 ANFL

Unsecured loan from related party is interest free and repayable at the end of one year.

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
29. Trade Payables			
Micro and small enterprises (Refer Note No.46)	580.11	288.95	274.34
Others	1,625.27	1,669.17	1,352.17
Total	**2,205.38**	**1,958.12**	**1,626.51**

(A) Trade payable ageing schedule:

Outstanding for followings from due date of payment

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Micro and Small Enterprises			
Not Due	66.04	15.63	-
Less than 1 year	458.89	244.47	253.63
1 to 2 years	37.28	16.74	20.29
2 to 3 years	9.49	12.11	0.42
More than 3 years	8.41	-	-
Total Micro and Small Enterprises	**580.11**	**288.95**	**274.34**
Others			
Not Due	431.02	533.05	358.91
Less than 1 year	472.86	490.46	398.37
1 to 2 years	41.34	40.31	118.63
2 to 3 years	35.41	98.47	1.67
More than 3 years	105.39	6.63	13.34
Total Others	**1,086.02**	**1,168.92**	**890.92**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Disputed			
Micro and Small Enterprises			
Less than 1 year	-	-	-
1 to 2 years	-	-	-
2 to 3 years	-	-	-
More than 3 years	-	-	-
Total Micro and Small Enterprises	**-**	**-**	**-**
Others			
Less than 1 year	42.25	42.25	39.00
1 to 2 years	39.00	35.75	39.00
2 to 3 years	35.75	39.00	375.39
More than 3 years	422.25	383.25	7.86
Total Others	**539.25**	**500.25**	**461.25**

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
30. Lease Liabilities			
Lease Liabilities (Refer Note No.45)	6,337.43	4,482.78	4,785.56
Total	**6,337.43**	**4,482.78**	**4,785.56**

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
31. Other Financial Liabilities			
Financial Liabilities at amortised cost			
Interest accrued and due on borrowings	32,457.48	60,135.35	38,464.42
Interest accrued but not due on borrowings	8,673.83	2,588.93	5,114.98
Interest payable on delayed payments to MSME creditors (Refer Note No.46)	13.73	7.32	6.58
Security deposits from customers	522.75	476.21	1,357.43
Financial guarantees obligations	306.28	306.28	363.20
Payable for capital goods	1,628.75	1,631.59	1,674.46
Dues to employees (including full and final settlement)	309.66	276.37	315.79
Other Payables	50.00	50.00	564.99
Total	**43,962.48**	**65,472.05**	**47,861.85**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(31.1) Details of default in payment of interest on secured loans as on 31st March, 2022 are as follows:

(₹ in Lakh)

Year	Banks	Others	Total
FY 2013-2014	2,073.35	-	2,073.35
FY 2014-2015	1,829.96	-	1,829.96
FY 2015-2016	2,087.74	-	2,087.74
FY 2016-2017	2,341.12	-	2,341.12
FY 2017-2018	2,862.10	-	2,862.10
FY 2018-2019	4,506.21	45.00	4,551.21
FY 2019-2020	4,462.02	240.00	4,702.02
FY 2020-2021	5,079.41	498.00	5,577.41
FY 2021-2022	5,796.57	636.00	6,432.57
Total	**31,038.48**	**1,419.00**	**32,457.48**

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
32. Other Current Liabilities			
Advance received from Customers	202.47	208.74	75.14
Advance warehouse rent	55.35	76.30	3.02
Statutory dues (Refer below Note No. 32.1)	2,088.66	1,435.31	1,304.12
Interest on delayed payment of statutory dues	1,353.19	1,082.07	886.40
Total	**3,699.67**	**2,802.42**	**2,268.68**

Note:

(32.1) Statutory dues included Tax deducted at sources (TDS), Goods and Service Tax (GST) Provident Fund (PF), Profession Tax (PT) and Employee State Insurance Corporation (ESIC) .

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
33. Provision			
Provision for employee benefits (Refer Note No. 47)			
Gratuity	5.85	4.75	3.71
Leave encashment	9.12	7.94	9.56
Total	**14.97**	**12.69**	**13.27**

(₹ in Lakh)

Notes to the Consolidated financial statements for the year ended 31st March, 2022

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
34. Liabilities associated with assets classified as held for sale (Refer Note No 55.)	3.88	7,668.02	3,668.65
Total	**3.88**	**7,668.02**	**3,668.65**

Notes:

AIPL

34.1. 14% Non-convertible redeemable debentures (NCDs) of ₹Nil (31st March 2021 - ₹ 6,625.00 Lakh and 1st April, 2020 - ₹ 3,725.00 Lakh):

(a) Security provided:

(i) First charge on AIPL Mortgaged Properties and warehouse land and additional land of the Parent Company.

(ii) Hypothecation over all the bank accounts and Receivables of AIPL.

(iii) The NCDs are secured by pledged of shares of AIPL held by the Parent Company and by Corporate guarantees of the Parent Company.

(b) Terms of Interest rate

Rate of interest is @ 14% p.a.

(c) Terms of Repayment:-

The terms of the debentures shall be 285 days from the partial lease completion notice or the completion notice (as applicable) ("Final Redemption date"), which date may be extended by the Board only with the prior written consent of the Debenture holder. Based the assessment of the current status of the construction of warehouse and overall arrangement with the debenture holder, the Management of AIPL is expected to repay the aforesaid debenture within 9 months from the balance sheet date.

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of ₹ Nil (31st March, 2021 - ₹ 3.96 Lakh and 1st April, 2020 - ₹ 56.19 Lakh).

(₹ in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
35. Revenue From Operations		
Sale of services		
Storage income	9,508.47	9,124.97
Conditional Lease rent	2,109.59	2,500.00
Transportation income	2,004.96	1,360.27
Material handling and other services	1,388.10	1,290.18
Finance lease income	3.00	3.00
Total	**15,014.12**	**14,278.42**
36. Other Income		

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest income on		
Bank fixed deposits	3.18	4.82
Loans to others	95.73	45.50
Tax refunds	55.46	48.66
Others	-	2.72
Financial guarantee income	321.28	378.27
Gain on derecognised of Financial guarantee income	-	18.97
Financial assets carried at amortised cost	262.73	232.88
Sundry balance written back	13.24	-
Gain on derecognised of Liability Component	-	16.13
Gain on disposal of Property, plant and equipment	-	0.17
Gain on sale of subsidiary (Refer Note No. 56)	8,902.00	-
Gain on Lease modification	-	4.66
Refund of Goods and Services Tax	-	744.38
Miscellaneous income	20.47	52.98
Refund of Property tax	-	177.48
Total	**9,674.09**	**1,727.62**
37. Warehousing, transportation and handling costs		
Material handling expenses & Other services	885.00	820.47
Transportation expenses	890.45	599.27
Total	**1,775.45**	**1,419.74**
38. Employee Benefits Expense		
Salaries, wages and bonus	1,573.14	1,205.04
Contribution to provident and other funds	51.23	45.23
Share based payment (Refer Note No. 58)	347.67	107.67
Staff welfare expenses	24.59	22.57
Total	**1,996.63**	**1,380.51**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
39. Finance Cost		
Interest expense on borrowings	14,365.23	21,059.61
Interest expense on statutory dues	253.97	202.67
Unwinded interest expense on security deposits	83.15	62.82
Unwinded interest expense on lease liabilities (Refer Note No.45)	1,460.09	1,831.48
Interest expense on others	17.94	1.32
Interest expense on MSME vendors (Refer Note No. 46)	10.09	6.77
Other borrowing costs	26.93	29.20
Total	**16,217.40**	**23,193.87**
40. Depreciation and Amortisation Expense		
Depreciation on property, plant and equipment	2,108.10	2,430.67
Depreciation on right of use of assets (Refer Note No.45)	4,732.52	4,526.43
Amortisation on intangible assets	340.85	340.85
Total	**7,181.47**	**7,297.95**
41. Other Expenses		
Electricity charges	437.25	526.04
Rent	0.82	2.20
Repairs and maintenance:		
- Building	71.54	96.96
- Plant and Machinery	82.76	95.22
- Others	36.51	33.61
Insurance	40.10	64.15
Rates and taxes	45.67	38.22
Communication expenses	21.16	25.46
Travelling and conveyance expenses	75.26	81.08
Vehicle expenses	22.11	17.66
Printing and stationery	24.84	20.84
Legal and professional fees	222.34	215.95
Security charges	327.90	364.50
Advertisement and Business Promotion expenses	5.45	6.79
Auditor's remuneration:		
- Audit Fees	96.95	102.51

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
- Limited Review Fees	15.00	15.00
- Certification fees	-	1.10
Provision for doubtful debts	146.69	159.55
Bad Debts	1,495.12	0.50
Foreign exchange differences (net)	1.96	117.20
Miscellaneous expenses	85.59	115.64
Director sitting fees	3.50	3.85
Sundry balance written off (net)	4.48	922.56
Custom Recovery Charges	33.37	-
Discarding/written off of Property, plant and equipment and Intangible assets	60.00	-
Total	**3,356.37**	**3,026.59**
42. Exceptional Items		
Gain on settlement of debts (net) (Refer Note No. 51)	48,988.99	-
Total	**48,988.99**	**-**
43. Profit/(loss) for the year from Discontinuing Operations		
Revenue from operations	190.74	-
Other Income	0.62	0.04
Total Income (a)	**191.36**	**0.04**
Expenses		
Material handling expenses & Other services	8.43	-
Employee benefits expense	-	144.00
Finance cost	711.65	0.06
Depreciation	145.43	-
Other expenses	56.14	80.42
Total Expenses (b)	**921.65**	**224.48**
Profit/(loss) for the year from Discontinuing Operations (a-b)	**(730.29)**	**(224.44)**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

44 Contingent Liabilities and Commitments

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

(₹ in Lakh)

S. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
(a)	Disputed Income Tax Demands	8,444.43	8,444.43	8,444.43
(b)	Disputed Service Tax demand	62.68	62.68	62.68
(c)	Disputed Local Body Tax demand	875.49	160.33	160.33
(d)	Claims against the group not acknowledged as debts	4,900.15	2,292.48	2,155.68
(e)	Bank Guarantees	15.00	15.00	15.00
(f)	Input credit used of Goods and Services Tax (refer note 1 below)	50.59	50.59	40.67
(g)	Goods and Services Tax (GST) payables on unbilled revenue (refer note 60)	45.98	45.98	45.98
(h)	Goods and Services Tax (GST) reversal of ITC on Reverse Charge Mechanism for the financial year 2017-2018 to 2019-2020 (refer note 2 below)	7.23	-	-
(i)	Import Continuity / Transhipment Bond / Custodian cum Carrier Bond	69,700.21	31,690.21	31,690.21
(j)	Corporate Guarantees given (refer note 3 below)	18,500.00	18,500.00	18,500.00

Note:

1 A Subsidiary company has availed GST input credit appearing in Form GSTR- 2A (on GST portal) for its payment of GST liability, such invoices are in the name of subsidiary company but not recorded in Books. These GST Credits pertains to the services provided by Shipping Company to certain customers of the Subsidiary company, where the Subsidiary company is Consignee. The actual expenses are borne by the customers of the Subsidiary company as primary obligators, also invoices of those expenses are not available with the Subsidiary company. The Subsidiary company has utilized the aforesaid GST input credit based on expert advice obtained by the Subsidiary company.

2 As per SCN No.360/GST/Audit-RGD/SUPDT/Gr.V /21-22 dated 21.03.2022 issued to a Subsidiary Company by Superintendent, GST Audit, Raigad Commissionerate, it has been instructed to reverse ITC of ₹ 7.23 Lakh for the Financial Year 2017-2018 to 2019-2020 against Transportation of Goods by Road Services rendered to DTA Clients under Reverse Charge Mechanism.

3 The Parent Company and a subsidiary had given jointly or servelly guarantees to a lender of ₹ 185 Crore on behalf of Mira Supply Chain Management Private Limited when it was subsidiary till January 2018, of the Parent Company. The Parent Company charged guarantee commission @ 0.5% per annuum on outstanding loan amount of ₹ 2,965.11 Lakh.

44.2 Capital commitments

Estimated amount of contracts remaining to be executed on capital and other accounts and not provided for (net of advances paid) are ₹ 55.74 Lakh (31st March, 2021 - ₹ 292.40 Lakh and 1st April, 2020 - ₹ 1,869.96 Lakh).

Notes to the Consolidated financial statements for the year ended 31st March, 2022

45 Lease

(i) Movement of carrying value of right of use of assets

(₹ in Lakh)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Opening Balance	**13,002.32**	**17,441.09**
Add: Addition during the year	11,630.20	594.69
Less: Modification during the year	-	(507.03)
Less: Depreciation charge for the year	(4,732.52)	(4,526.43)
Closing Balance	**19,900.00**	**13,002.32**

(ii) Movement of Lease liabilities

(₹ in Lakh)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Opening Balance	**14,837.64**	**18,461.12**
Add: Addition during the year	10,990.91	594.69
Add: Interest expenses on unwinding lease liabilities	1,460.09	1,831.48
Less: Payment of lease liabilities	(5,976.36)	(5,537.95)
Less: Modification during the year	-	(511.70)
Closing Balance	**21,312.28**	**14,837.64**

(iii) Maturity analysis of lease liabilities on undiscounted basis and breakup of lease liabilities included in the Balance Sheet

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Future Non-Cancellable minimum lease commitments			
Within one year	8,378.20	5,834.65	5,568.87
More than one year but not less than five years	15,073.64	11,465.35	17,144.70
More than five years	2,514.54	-	-
Total undiscounted lease liabilities	**25,966.38**	**17,300.00**	**22,713.57**
Lease liabilities included in the Balance sheet			
Current Lease liabilities	6,337.43	4,482.78	4,785.56
Non-current Lease liabilities	14,974.85	10,354.86	13,675.56
Total	**21,312.28**	**14,837.64**	**18,461.12**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

46 Details on dues to Micro, Small And Medium Enterprises

(₹ in Lakh)

S. No.	Description	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
a)	Principal amount due and remaining unpaid	580.11	288.95	274.34
b)	Interest due thereon remaining unpaid	13.73	7.32	6.58
c)	Interest paid by the Group in terms of Section 16 of the MSMED Act, 2016, along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-	-
e)	Interest accrued and remaining unpaid	13.73	7.32	6.58
f)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above ae actually paid to the micro and small enterprises.	-	-	-

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

47 Employee Benefits

47.1 Disclosure pursuant to Indian Accounting Standard (IND AS) 19 – Employee Benefits

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognised as expenses for the years are as under:

(₹ in Lakh)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Employer's Contribution to Provident Fund	10.23	9.24
Employer's Contribution to Pension Scheme	22.59	20.29
Employer's Contribution to ESIC	1.29	1.16

(b) Brief descriptions of the plans

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

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(c) Leave Encashment:

(₹ in Lakh)

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 1st April, 2020**
Provision recognised in the Balance Sheet			
Current Provision as at the end of the year	9.12	7.94	9.56
Non Current Provision as at the end of the year	29.98	28.92	34.10
Provision recognised in the Balance Sheet	**39.10**	**36.86**	**43.66**

(d) Defined benefit plan – Gratuity:

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

(₹ in Lakh)

Particulars	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2012-14) Ult	Indian Assured lives Mortality (2012-14) Ult
Discount rate	5.65%	5.65%
Expected return on plan assets	6.42%	6.42%
Salary Escalation Rate	5.00%	5.00%
Withdrawal Rate	19.00%	19.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Provision as at the beginning of the year	101.69	107.87
Interest cost	5.88	5.66
Current service cost	13.91	12.08
Benefits paid	(15.34)	(12.62)
Actuarial (gain)/loss on obligations	7.38	(4.76)
Acquisition adjustment	-	(6.54)
Provision as at the end of the year	**113.52**	**101.69**
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	19.03	18.02
Expected return on plan assets	1.07	1.01
Actual Enterprise's Contributions	-	-
Benefits paid	-	-
Fair value of plan assets as at the end of the year	**20.10**	**19.03**
IV. Actual return on plan assets		
Expected return on plan assets	1.07	1.01
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	1.07	1.01

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
V. Provision recognised in the Balance Sheet		
Provision as at the end of the year	113.52	101.69
Fair value of plan assets as at the end of the year	20.10	19.03
Provision recognised in the Balance Sheet	93.42	82.66
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VII. Amount recognised in the Statement of Profit and Loss		
Current service cost	13.91	12.08
Interest cost	5.88	5.66
Expected return on plan assets	(1.07)	(1.01)
Net actuarial (gain)/loss to be on obligation	-	-
Expense recognised in Statement of Profit and Loss	18.72	16.73
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	(2.04)	(0.21)
Due to Change in demographic assumption	0.02	-
Due to Change in experience assumption	9.40	(4.55)
Expected return on plan assets	-	-
Total remeasurement recognised in OCI	7.38	(4.76)
IX. Balance Sheet reconciliation		
Opening net provision	82.66	89.85
Expenses recognised in Profit & Loss	18.72	16.73
Actual Employer Contribution	(15.34)	(12.62)
Total Remeasurement recognised in OCI	7.38	(4.76)
Acquisition adjustment	-	(6.54)
Closing net provision	**93.42**	**82.66**

(e) Salary escalation assumption has been set in discussions with the enterprise based on their estimates of overall long-term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

47.2 Sensitivity analysis:

(₹ in Lakh)

Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended 31st March, 2022		
Salary growth rate	+0.50%	115.75
	-0.50%	111.36
Discount rate	+0.50%	111.39
	-0.50%	115.73
For the year ended 31st March, 2021		
Salary growth rate	+0.50%	103.85
	-0.50%	99.61
Discount rate	+0.50%	99.63
+0.50%	103.85	103.85

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended 1st April, 2020		
Salary growth rate	+0.50%	110.27
	-0.50%	105.55
Discount rate	+0.50%	105.57
	-0.50%	110.27

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

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

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

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

(c) Salary risk - The present value of the defined plan provision is calculated by reference to the future salaries of plan participants. As such, as increase in the salary of the plan participants will increase the plan's provision.

47.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 3 years (31st March, 2021 - 5 years).

48 Preparation of financial statements on " Going Concern" basis

(a) The management believes that Government's focus on logistics infrastructure sector, which is currently one of the fastest growing sector, will help the Parent Company to expand its business. The recent amendments in the SEZ policy, will enable the Group to offer additional value propositions to its clients. These macro factors coupled with other economic benefits will improve the Group 's ability to expand the client base multi-fold. Further the Group has appointed global consulting firm for business development of FTWZ. This will improve the group's ability for global outreach to increase customer base.

The Group is working on debt resolution plan with lenders and lenders are also considering Group's request appropriately. This will minimize various litigation matters. The Group is also working with its all lenders on re-alignment of existing debt. The Group has received letter for Settlement of Debt from all major lenders to reduce debt at sustainable level. Hence the Group is optimistic that the proposed re-alignment of debt with Lenders will improve overall cash flows of the Group.

The management's plans as a developer of the business indicate that assets light business model through monetization will help the Parent Company to improve cashflow of the Group. Monetisation will happen periodically and staggered manner, but significant payments will be received to streamline the cash flows.

Forward sale and leaseback arrangement with Ascendas will provide capital cushion for future growth. Ascendas provided attractive valuation for warehouses in past and on similar lines, it is expected for future warehouses.

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 Parent Company's capabilities to expand its business into data centre and related infrastructure. The Parent 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.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

In addition to the above, various resource optimization initiatives undertaken by the Parent Company, can lead to stabilization and revival. Therefore, the Parent Company continues to prepare it's the financial statement on Going Concern basis.

(b) The Subsidiary Company i.e. ANFL has incurred net loss of ₹ 5,897.26 Lakh during the year ended 31st March, 2022 and as of that date, the Subsidiary Company's current liabilities exceeded by its current assets by ₹ 72,205.54 Lakh. The Subsidiary Company have accumulated losses of ₹ 46,828.34 Lakh as at 31st March, 2022. Some of its lenders have recalled their loans and the subsidiary Company is in the process of negotiating the revised payment terms with the lenders.

The management believes that Government's focus on logistics infrastructure sector, which is currently one of the fastest growing sector, will help the subsidiary company to expand its business. The recent amendments in the SEZ policy, will enable the subsidiary company to offer additional value propositions to its clients. These macro factors coupled with other economic benefits will improve the Subsidiary Company's ability to expand the client base multi-fold and increase its business to a great extent, including 'Contract Manufacturing' in line with Global Free Zones. The application of the Subsidiary Company for change of sector of its Free Trade Warehousing Zone into "Multi sector SEZ" is approved on 18th March'2021.

Further the Parent Company has appointed a global consulting firm for business development of its FTWZ business. This will improve the company's ability for global outreach to increase its customer base.

ANFL is equipped with world class logistic infrastructure at Khurja, which is strategically located at the confluence of Western and Eastern Dedicated Freight Corridor (DFC). The DFC will improve efficiency and cargo deliverables. Commissioning of the DFC could benefit customers by operation of longer, heavier and faster train services which will improve operational efficiency. The commencement of work on the proposed Jewar Airport which is in close proximity to Khurja will also boost the Company's business.

ANFL is also working with all its lenders on re-alignment of existing debt of ANFL. ANFL has received letters for Settlement of Debt from major lenders to reduce debt at sustainable level. Hence ANFL is optimistic that the proposed re-alignment of debt with Lenders will improve overall cash flows of ANFL.

The Subsidiary Company had signed the Share Purchase Agreement (SPA) with the Investor for monetising one income generating warehouse subject to completion of certain Condition Precedent and freeze the understanding on Forward Purchase of remaining existing two warehouses and balance future potential development with construction finance. The Subsidiary Company is in the process of meeting its obligations by way of monetization of its assets and expected value of monetisation of such assets along with future development potential is more than outstanding obligations. Further, based on financial support from the Parent Company, the financial statements of the subsidiary Company have been prepared on a "Going Concern" basis.

(c) The Subsidiary Company i.e. ALSL's current liabilities exeeds its current assets by ₹ 158.07 lakhs as on 31st March, 2022. Due to accumulated losses of ₹ 347.38 Lakh, Net-worth of the Subsidiary Company is eroded. The Subsidiary Company has earned cash profit during the current year as well as previous year through which it was able to sustain its operations.

The management believes that Government's focus on logistics infrastructure sector is accretive for the Subsidiary Company's business plan. The recent amendments in the SEZ policy, allowing manufacturing within the FTWZs will enhance the scope of activities carried out by FTWZ exponentially. These macro factors coupled with the Subsidiary Company's future business projections prepared basis the Group management's plan to expand the operations in free trade warehousing zone at Panvel, Maharashtra and steps being taken by the management to control the operating costs, will improve the Subsidiary Company's ability to expand the client base multi-fold and thereby the cash flow position shall further improvise. Accordingly, these financial statements have been prepared on going concern basis.

(d) The Subsidiary Company i.e. ANPPL has plan to acquire the long-term leasehold rights in the specific Warehouse no 54 "Property" (WH-54) from the Arshiya Northern FTWZ Ltd (ANFL). The Transaction under discussion for WH-54, Modern Grade-A warehouse with a total leasable area of approximately 191,582 square feet. The Subsidiary Company shall acquire long-term leasehold rights in the Property. Ascendas Property Fund India (APFI) will fund the subsidiary company for buying said warehouse at pre-agreed price consideration of ₹ 10,600 Lakhs for pre-lease WH-54 as per pre-agreed terms under Transaction Documents. As per transaction post that APFI shall purchase 100.0% equity shares in the Subsidiary Company subject to completion of certain conditions precedent stipulated in Share Purchase Agreement dated March 11, 2020. The Subsidiary Company will pay its liabilities from expected consideration to be received from APFI.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

Currently, ANFL is providing storage and value-added services such as packing, labelling, tagging etc. to Reputed Clients and expected to complete the aforesaid monetisation before end of FY-22. As we are aware that the whole world has faced a Global Pandemic of Covid-19 due to which certain restrictions within the nations have caused a significant delay in monetization of warehouses whereby monetization process has been shifted and would be concluded before FY-23.

In view of above considering gross value of future monetization value which is around ₹ 10,600.00 Lakh, the management of the company have prepared accounts on going concern basis.

(e) The Subsidiary Company i.e. A3PL has incurred a net loss of ₹ 8.60 lakh during the year ended 31st March, 2022 and ₹ 158.05 Lakh during the previous year ended 31st March 2021 and as of that date the Subsidiary Company's accumulated losses amount to ₹ 249.98 lakh resulting in negative net worth of the Subsidiary Company.

The Parent Company has appointed for reputed consulting firm for business development and hope to get good business volume in coming years.

The management believes that Government's focus on logistics infrastructure sector is accretive for the Subsidiary Company's business plan. The recent amendments in the SEZ policy, allowing manufacturing within the FTWZs will enhance the scope of activities carried out by FTWZ exponentially. These macro factors coupled with the Subsidiary Company's future business projections prepared basis the management's plan to expand the operations in free trade warehousing zone at Kurja, Uttar Pradesh and steps being taken by the management to control the operating costs, will improve the Subsidiary Company's ability to expand the client base multi-fold and thereby the cash flow position shall further improvise.

Further the Parent Company, has given a support letter to extend, for the foreseeable future, any financial support which may be required by the Subsidiary Company and expansion plans formulated by Arshiya Limited / Arshiya Northern FTWZ Limited at Free Trade Warehousing Zone, Khurja, which in turn shall supplement the business of A3PL. Also ALSL has given assurance of infusion of capital for support. Hence the financials are prepared on going concern basis.

49 The Parent Company had availed loan from a Public Financial Institution (PFI) against security of land situated at Nagpur. On default of loan covenants, the PFI had taken over possession of secured assets i.e. land situated at Nagpur. During the year ended 31st March, 2018, the PFI agreed to settle their outstanding loan constituting principle and interest of ₹ 16,700.00 Lakh by signing of Settlement Terms. Settlement Terms involves payment of ₹ 5,000.00 Lakh and balance amount of ₹ 11,700.00 Lakh, by way of allotment of Optionally Convertible Redeemable Preference Shares - V (OCRPS - V), convertible upto 15,50,000 equity shares of the Parent Company at the option of the PFI and necessary effect has been given in the books of accounts during the year ended 31st March, 2018. As per shareholder approval, on dated 29th January 2018, the Parent Company has approved allotment of 11,70,000 OCRPS – V and the same was converted into 15,50,000 Equity shares on 22nd February, 2018 as per Settlement Terms.

During the pendency of litigation, the PFI has assigned their debts to Edelweiss Asset Reconstruction Company Ltd (EARC) during 31st March, 2019. Upon acknowledgement of receipts of outstanding of ₹ 5,000.00 Lakh dues under Settlement Terms, the Court has disposed off the said litigation. In line with High court order, the Parent Company recorded liabilities in name of EARC for payment made by them to PFI. Pursuant to said assignment of debt, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges. The Parent Company continues to provide interest in line with major terms negotiated with EARC in case of other agreements. 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 (including penal interest) in the period in which it is completed.

With respect to this borrowing, EARC has issued SARFAESI Notice for recovery of dues and the matter is under discussion with EARC for debt settlement. Subsequent to the year ended 31st March 2022, EARC under SARFAESI process, has sold said land. Details of the transaction are awaited from EARC. Upon receipt of details the Parent Company will give necessary impact in the books of account.

50 During the year ended 31st March, 2019, the Parent Company has defaulted in payment of ₹ 2,000.00 Lakh as per Consent Terms signed with one of the Non-Banking Financial Company (NBFC). During the pendency of litigation, the said NBFC has assigned its debt to Edelweiss Asset Reconstruction Company (EARC) during the year end 31st March, 2020 against payment of outstanding amount under the said Consent Terms. Upon acknowledgement of payment from EARC, the High Court of Bombay disposed off the case. In line with High Court of Bombay order, the Parent Company recorded liabilities in name of EARC payment made by them to NBFC. Pursuant to said assignment of debt, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

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 (including penal interest) in the period in which it is completed. With respect to this borrowing, EARC has issued SARFAESI Notice for recovery of dues and the matter is under discussion with EARC for debt settlement.

51 Settlement of Debts

51.1 During the year ended 31st March 2022, the Parent Company and a subsidiary have received Settlement of Debt letter (settlement) dated 4th March 2022 from Edelweiss Assets Reconstruction Company Limited (EARC) with Cut-off date as on 30th September 2021. EARC has settled its existing dues at ₹ 53,510.00 Lakh as the Settlement Amount. The Group has partially complied with conditions precedent of settlement. The Group is in discussion with EARC for pending compliances of conditions precedent, further, there is no communication about revocation of settlement of debt from EARC.

In view of the above, accounting treatment of settlement has been given in the books during the year ended 31st March 2022. The Group has recorded gain on settlement as an exceptional item of ₹ 48,443.30 Lakh (comprising of principal of ₹ 17,713.30 Lakh and interest of ₹ 30,730.00 Lakh). Further interest expenses accounted in the books nine months ended 31st December 2021 has been reversed during the year ended 31st March 2022. Accordingly, interest expenses of current year ended 31st March 2022 has been recorded after giving impact of settlement, hence interest expenses during the year ended 31st March 2022 is post net of reversal.

51.2 The Parent Company has defaulted in agreed repayment schedule of original sanction letter dated 27th June, 2017. During the year ended 31st March, 2022, the Parent Company has received Settlement of Debt letter (settlement) dated 15th March, 2022 from Axis Bank. Axis Bank has settled its existing dues at ₹ 1,471.41 Lakh as the Settlement Amount.

In view of the above, accounting treatment of the settlement has been given in the books during the year ended 31st March, 2022. The Group has recorded the gain on settlement as an exceptional item of ₹ 656.25 Lakh (comprising of interest).

51.3 The Parent Company has defaulted in agreed repayment schedule of original sanction letter dated 26th March, 2019. During the year ended 31st March, 2022, the Parent Company has entered Terms of Settlement (settlement) on 4th March, 2022 with a Non Banking Financial Institution (NBFC). The NBFC has settled its existing dues at ₹ 850 Lakh as the Settlement Amount.

In view of the above, accounting treatment of the settlement has been given in the books during the year ended 31st March, 2022. The Group has recorded the loss on settlement as an exceptional item of ₹ 110.55 Lakh.

52 Disclosure and accounting treatment of Scheme of Arrangement

The Board of Directors of the Parent Company at their meeting held on 24th May, 2018, had approved a 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.

The said Scheme has been approved by shareholders, unsecured and secured creditors of the respective companies.

National Company Law Tribunal, Mumbai Bench (NCLT) has approved Scheme of Arrangement (Scheme) vide it's order dated 21st January 2022. The Scheme became effective from 2nd February 2022. The Appointed date of the scheme is 1st April 2019. Pursuant to the Scheme:

(a) Domestic Business of the Parent Company comprising of 43.23 acre of land situated at Khurja and other assets and liabilities pertaining to domestic business has been demerged from the Parent Company into Resulting company i.e. Arshiya Rail Infrastructure Limited ("ARIL"). All assets and liabilities of the demerged undertakings and ARIL have been derecognised at their respective carrying values and the net differential amount of ₹ 22,867.11 lakh is adjusted against the retained earnings.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 1st April, 2019
Assets	
Non-Current Assets	
(a) Property, Plant and Equipment	1,15,052.08
(b) Intangible Assets	2,825.28
(c) Financial Assets	
(i) Other Financial Assets	1,066.70
(d) Other Non-Current Assets	1,451.86
	1,20,395.92
Current assets	
(a) Financial Assets	
(i) Trade Receivables	1,415.51
(ii) Cash and Cash Equivalents	128.66
(iii) Bank Balances Other than (ii) above	386.22
(iv) Other Financial Assets	1,984.08
(c) Other Current Assets	1,163.99
	5,078.46
Total Assets (A)	**1,25,474.38**
Equity Component of 0% Optionally Convertible Redeemable Preference shares (OCRPS) issued by subsidiary held outside Group	519.09
Liabilities	
Non Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	57,371.54
(ii) Other Financial Liabilities	22.11
(b) Provisions	117.09
(c) Other Non-Current Liabilities	1,632.32
	59,143.06
Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	16,505.92
(ii) Trade Payables	1,510.86
(iii) Other Financial Liabilities	22,458.55
(b) Other Current Liabilities	2,458.57
(c) Provisions	11.22
	42,945.12
Total Liabilities (B)	**1,02,607.27**
Net assets transferred (A-B=C)	**22,867.11**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(b) Investments amount of ₹ 86,088.63 Lakh and inter-company balances (loan) of ₹ 16,561.21 Lakh held in ARIL by the Parent Company stand cancelled and adjusted in retained earnings.

(c) As a above result, ARIL ceased to be subsidiary and AMD ceased to be step-down subsidiary of the Parent Company.

(d) The Scheme has been accounted for as per the accounting treatment approved by the NCLT read with applicable accounting standards prescribed under section 133 of the Companies Act, 2013.

(e) Accumulated balances (losses) in retained earnings of ₹ 1,77,705.55 Lakh as on appointed date are utilised against the securities premium account of the Parent Company, resulting in to retained earnings reduced to NIL as on the appointed date.

(f) Upon the scheme becoming effective and in consideration of the demerger, for every 2 (two) fully paid-up equity shares of the Parent Company, the Resulting Company shall issue and allot to each member of the Parent Company as on the record date i.e. 4th March 2022, 1 (one) fully paid-up equity share of the ₹ 2/- each of the Resulting Company (ARIL). These equity shares of ARIL are proposed to be listed, on the stock exchanges where the equity shares of the Parent Company are listed, on receipt of regulatory approvals.

(g) Reconciliation of securities Premium and Retained Earnings as at 1st April, 2019:

(₹ in Lakh)

Particulars	**Securities Premium Account**	**Retained Earnings**
Balance as on 31st March 2019 before restatement	**2,33,072.16**	**(1,85,545.26)**
Less: Other assets and liabilities of Domestics Warehousing Division & ARIL(net)	-	(22,867.11)
Less/Add: Adjustment as per Demerger Scheme	(1,77,705.55)	1,77,705.55
Balance as on 1st April 2019 after restatement	**55,366.61**	**(30,706.82)**

52.1 Post NCLT order dated 21st January, 2022, one of the lenders of Parent Company has appealed against the said order at the Hon'ble National Company Law Appellate Tribunal (NCLAT). Pursuant to on order dated 4th March, 2022, NCLAT has ordered to maintain 'status quo' in the matter and hence the matter is now 'sub - judice'. The Parent Company has appealed for setting aside the said order of 4th March, 2022 and requested the NCLAT to allow the Parent Company to complete the formalities such as allotment procedures of the demerger and listing of the shares of the Resulting Company. As the scheme is in the interest of stakeholders of both the companies, the Parent Company shall be pursuing the appeal. Based on legal opinion obtained, the Parent Company has continued to prepare the consolidated financial statements for the year ended 31st March, 2022 after giving accounting effects of scheme as per the NCLT order.

53 Indirect Tax Refund Receivable

(i) As per the Notification dated 16th May, 2013 issued by Government of Maharashtra, MVAT exemption /refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Parent Company has claimed refund of ₹1,684.55 Lakh in respect of transactions prior to record date, as the Parent Company is of the view that the State Government has exempted it from Local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra. The Parent Company has filed an appeal before High Court of Bombay challenging the Constitutional validity of MVAT on various grounds and has claimed refund of ₹1,108.80 Lakhs. The Appeal has been admitted, issues are framed and final hearing is pending. Further MVAT refund claim of 575.75 Lakhs is pending with Sales Tax Department as the matter is of similar case. Accordingly, these financial statements reflect a sum of ₹1,684.55 Lakhs as refund receivable on account of MVAT. In case the refund is not granted, the necessary adjustment entries shall be recorded in the year in which finality is reached.

(ii) Refunds receivable in respect of VAT, Service Tax, Local Entry Tax and Service Tax pertaining to ANFL for which appeals are pending with respective Appellate Authorities. The Management is of the view that the refunds claimed as above aggregating to ₹ 314.45 Lakh are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

54 Punjab National Bank (PNB) and State Bank of India (SBI) has filed a suit with Debt Recovery Tribunal ("DRT"), New Delhi, towards recovery against Arshiya Northern FTWZ Limited as a borrower, the Parent Company as a Corporate Guarantor and two promoter directors of the Parent Company as Guarantors, for ₹ 40,700.44 Lakh. The same is pending before the DRT, New Delhi. The matter is sub-judice.

55 Assets held for sale and Liabilities associated with assets classified as held for sale

55.1 The Parent Company has entered into conditional Share Purchase Agreements with Ascendas Property Fund (India) Pte. Ltd. ("APFI") for sale of entire equity shares of 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 ANPPL has been considered as "Assets and Liabilities held for sale and Discontinued Operations".

55.2 Board of directors of the Subsidiary Company i.e. ANFL had approved plan to monetize its World class A grade assets one of Warehouse of Warehouse numbered as Warehouse No 54 having total leasable area of approximately 191,582 square feet spread over about 4.5 Acres of land and is part of a FTWZ facility that is spread over approximately 127.0 acres with estimated future development potential of approximately 3.0 million square feet besides the 2 existing warehouse already constructed.

The Monetization will be structured in the form of acquisition of one of co-developer entity, that will acquire the long-term leasehold rights in the Property from ANFL. On completion of Condition Precedent (CPs), APFI will acquire such co-developer entity i.e. ANPPL along with Warehouse on long term lease basis.

Hence the said assets of ANFL has been considered as "Assets and Liabilities held for sale".

56 During the year ended 31st March 2022, the Parent Company has sold it's investment in 100% shares of Anomalous Infra Private Limited (AIPL) which owns a 3.25 Lakh square feet warehouse at the Arshiya Free Trade Warehousing Zone, Panvel to Ascendas Property Fund Trustee Pte. Limited ("Ascendas/ APFI"), this operational warehouse is the seventh warehouse acquired by APFI from Arshiya group. It comprises, inter alia, additional deferred consideration of up to ₹ 2,122.60 Lakh to be paid over the next four years, subject to the achievement of certain performance milestones as per transaction documents. ₹ 8,901.29 Lakh gain on loss of control of subsidiary has been accounted in other income.

Similar to the previous arrangement for the six acquired warehouses by APFI, this newly acquired seventh warehouse is and operated by a subsidiary of the Parent Company for a period of six years which would continue to give the Group a spread on lease as well as addition Value-added services (VAS) income over and above the payout received by the above monetisation.

57 During the year ended 31st March, 2021, the Parent Company has allotted 25,00,000 equity shares to a lender upon conversion of 80,000 Zero percent Optionally Convertible Redeemable Preference Shares (OCRPS) and allotment of 17,00,000 equity shares to eligible employees under the Arshiya Limited Employee Stock Option Scheme 2019. Post allotment of aforesaid shares, the paid up capital of the Parent Company have been increased to ₹ 5,245.52 Lakh divided into equity shares 26,22,75,915 of face value of ₹ 2/- each

58 Share Based Payments

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

The Board of Directors of the Parent Company have approved grant of 12,00,000 and 20,00,000 Employee Stock Options to some of the eligible and deserving employees of the Parent Company under the Scheme, 2019 on 30th June 2021 and 13th November, 2021 respectively.

The fair value of stock options has been determined at the date of grant of the stock options. This fair value, adjusted by the Parent Company's estimate of the number of stock options that will eventually vest, is expensed over the vesting period.

The fair values were calculated using the Black-Scholes Call Option Pricing Model for tenure based stock options. The inputs to the model include the share price based on the market price at date of grant, exercise price, expected life of options, annual volatility,

Notes to the Consolidated financial statements for the year ended 31st March, 2022

expected dividends and the risk free rate of interest. Annual volatility has been calculated using median of comparable peers (to the extent data available). All options are assumed to be exercised within 1 year from the date of vesting period.

The assumptions used in the calculations of the charge in respect of the stock options granted are set out below:

Particulars	ESOP 2019	ESOP 2019	ESOP 2019
No. of Options	20,00,000	12,00,000	17,50,000
Exercise Price (in ₹)	2.00	2.00	2.00
Stock Price (in ₹)	31.00	34.30	17.00
Implied Volatility (in %)	64.50%	64.50%	64.52%
Average Risk free rate (in %)	4.72%	4.68%	5.20%
Time of Maturity (in Years)	3.00	3.00	1.50
Dividend Yield (in %)	0%	0%	0%
Average Fair value of Options (in ₹)	29.18	32.49	15.39
Option Granted Date	13th November 2021	30th June 2021	30th January 2020
Vesting Date	13th November 2022, 13th November 2023 and 13th November 2024	30th April 2022, 30th April 2023 and 30th April 2024	29th January 2021

The Group recognised total expenses of ₹ 347.67 lakh (31st March, 2021 - ₹ 107.67 lakh) to the above equity settled share based payment transactions. Equity settled employee stock options reserve outstanding with respect to the above scheme is ₹ 347.66 Lakh (31st March, 2021 - ₹ Nil and 1st April, 2020 - ₹ 45.01 Lakh).

During the previous year ended 31st March 2021, the Parent Company has allotted 17,00,000 equity shares to eligible employees upon exercised under the Arshiya Limited Employee Stock Option Scheme 2019.

Movement of share options during the year as below:

(In Numbers)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening Balance	**-**	**17,50,000**
Add: Options granted	32,00,000	-
Less: Options Lapsed	-	(50,000)
Less: Options exercised	-	(17,00,000)
Closing Balance	**32,00,000**	**-**

59 Two Subsidiaries i.e. ALL and ALSL have entered into agreements with a business group for providing storage space and other services. Total revenue from fixed storage of ₹ 1,050.00 lakhs and variable storage and other charges of ₹ 15.42 lakhs have been recognised during the year. Based on current business trend in metal sector and considering overall business conduct of the business group, management is confident to receive outstanding dues from the business group. The business group has been doing business in Panvel FTWZ since more than a decade and have cleared all their dues though there are some delays in payment. Further in the event of any default, the subsidiaries will be entitled to lien on their goods stored in FTWZ warehouses, as per terms of agreements. Estimated value of cargo of the business group is higher than the outstanding dues to the subsidiaries. In view of aforesaid facts and further as per discussion with the business group and considering their future plans of business in our FTWZ, the management is confident that the outstanding balance of ₹ 1,756.28 lakhs as on March 31, 2022 from the business group are good and fully recoverable.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

60 In one of the subsidiary company i.e. ALSL's trade receivables and other financial asset includes amounts aggregating to ₹ 322.11 lakhs (including unbilled amount of ₹ 255.45 lakhs) from four customers who have warehoused imported goods. The subsidiary has made collection efforts, but there has been no response on the Company's follow up with these customers and the Customers have not been traceable now.

The subsidiary has initiated recovery process by way of auction of the goods in the custody of the subsidiary based on the notification by SEZ authority. The SEZ Authority has approved the auction of the said goods. Since, the value of the goods in custody of the subsidiary is sufficient to recover it's dues including statutory levies thereon, in view of the Management of the Company the receivables from those customers are fully recoverable and no provisions are required against those receivables.

61 Two lenders of a subsidiary company i.e. ANFL have filed petition for recovery of dues at NCLT under Insolvency and Bankruptcy Code, 2016. ANFL is under discussion with its consortium lenders for resolution of debt for all lenders. A lender of ANFL has also called upon the Parent Company as a corporate guarantor to the said loan. Certain operational creditors of the Group have also filed petition at NCLT under Insolvency and Bankruptcy Code, 2016. Currently the matter is pending at pre-admission stage.

62 Certain creditors have initiated for winding up petition against the Parent Company and one subsidiary. The Parent Company and one subsidiary is in process of negotiating and finalising the revised consent terms and/or making representations to the respective forum.

63 Disclosure pursuant to Indian Accounting Standard (IND AS) 108 – Segment Information

63.1 Primary Segment Information

Post demerger, the Group's activities revolve around "Developing and Operating Free Trade & Warehousing Zone (FTWZ) and Special Economic Zone (SEZ)" with in "India". Considering the nature of the Group's business and operations, as well as, based on reviews of operating results by the chief operating decision maker there is only one reportable segment in accordance with the requirement of Ind AS 108 "Operating Segment" prescribed under Companies (Indian Accounting Standards) Rules 2015.

63.2 Entity-wide disclosure required by IND AS 108 are made as follows:

(a) Revenue from external sales and services

(₹ in Lakh)

Particulars	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**
India	15,014.12	14,278.42
Outside India	-	-

(b) Segment Assets

All assets are within India only.

63.3 Information about major customers:

Revenues from 9 customers (31st March 2021 - 8 customers) aggregating to ₹ 3,654.29 Lakh (31st March, 2021 - ₹ 5,830.96 Lakh) exceeds 10% or more during the FY 2021-22.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

64 Related party disclosures, as required by Indian Accounting Standard 24 "Related Party Disclosures" (IND AS-24) as given below:

(I) Person having significant influence over the Parent Company

Mr. Ajay S Mittal – Chairman and Managing Director

Ms. Archana A Mittal – Joint Managing Director

(II) Key management personnel

Mr. Dinesh Kumar Sodani - Chief Financial Officer of Arshiya Limited

Ms. Ratika Gandhi - Company Secretary and Compliance Officer (w.e.f. 12th February, 2021) of Arshiya Limited

Ms. Yesha Maniar - Company Secretary and Compliance Officer (w.e.f. 25th August, 2020 to 31st October, 2020) of Arshiya Limited

Ms. Savita Kodian - Company Secretary and Compliance Officer (till 26th April, 2020) of Arshiya Limited

Mr. Navnit Choudhary - Chief Financial Officer of Arshiya Northern FTWZ Limited

Mr. Amit Gupta - Chief Executive Officer of Arshiya Northern FTWZ Limited (w.e.f. 27th June, 2020 to 8th September, 2021)

Ms. Komal Toshniwal - Company Secretary (w.e.f. 1st July, 2021) of Arshiya Northern FTWZ Limited

(III) Relative of Person having significant influence over the Parent Company

Mr. Ananya Mittal – Corporate Strategy Officer

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

Noval FTWZ Limited

Laxmipati Balaji Supply Chain Management Limited

Arshiya Rail Infrastructure Limited #

AMD Business Support Services Private Limited (w.e.f. 14th August, 2021)

Pursuant the Scheme of Arrangement (Scheme) approved by National Company Law Tribunal, Mumbai Bench vide it's order dated 21st January 2022, the Scheme became effective by filing the certified copy of order with Registrar of Companies on 2nd February 2022 with the Appointed date of the scheme is 1st April 2019. Accordingly, Arshiya Rail Infrastructure Limited is ceased to be subsidiary of Arshiya Limited from the effective date.

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

(₹ in Lakh)

Nature of transaction	Name of the Party	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Remuneration paid to Key Managerial Person and Relative of Person having significant influence over the Group	Mr. Dinesh Kumar Sodani	53.97	51.70
	Ms. Savita Kodian	-	4.68
	Ms. Ratika Gandhi	23.32	3.12
	Ms. Komal Toshniwal	1.50	-
ESOP exercised at face value ₹ 2/-	Mr. Dinesh Kumar Sodani	-	5.00
Interest income	Noval FTWZ Limited	45.50	45.50
	AMD Business Support Services Private Limited	50.23	-

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Nature of transaction	Name of the Party	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Financial Guarantees Income	Arshiya Rail Infrastructure Limited	306.28	363.26
Gain on derecognised of Financial guarantee income	Arshiya Rail Infrastructure Limited	-	18.97
Reimbursement/Allocation of common costs and expenses recovered (Refer Note No.78)	Arshiya Rail Infrastructure Limited	129.99	145.59
	Laxmipati Balaji Supply Chain Management Limited	97.83	-
Payment of Lease Rent	Arshiya Rail Infrastructure Limited	5.00	-
Payment of Electricity expenses	Laxmipati Balaji Supply Chain Management Limited	298.60	37.78
Disposal of Property, Plant and Equipment	Laxmipati Balaji Supply Chain Management Limited	-	334.83
Loans and advances given	AMD Business Support Services Private Limited	1,335.67	-
Loans and advances given repaid/adjusted	AMD Business Support Services Private Limited	18.00	-
Loans and Advances taken	Mr. Ajay S Mittal	289.81	395.39
	Ms. Archana A Mittal	144.80	608.60
	Arshiya Rail Infrastructure Limited	576.26	1,426.37
Loans and Advances taken repaid/adjusted	Mr. Ajay S Mittal	235.10	422.01
	Ms. Archana A Mittal	335.31	540.90
	Arshiya Rail Infrastructure Limited	469.92	416.80
Assignment of Loan taken *	Arshiya Rail Infrastructure Limited	2,432.09	-
Investment in Subsidiary sold to	Arshiya Rail Infrastructure Limited	1.00	-

* During the year ended 31st March, 2022, loan taken from Arshiya Rail Infrastructure Limited is assigned to AMD Business Support Services Private Limited which is 100% wholly own subsidiary of Arshiya Rail Infrastructre Limited through assignement agreement.

Closing balances

(₹ in Lakh)

Nature	Related Party	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Loans and Advances taken	Mr. Ajay S Mittal	131.78	77.07	103.70
	Ms. Archana A Mittal	20.81	211.32	143.63
	Arshiya Rail Infrastructure Limited	5.75	2,461.49	1,597.50
Loan given including interest	Noval FTWZ Limited	325.00	325.00	325.00
	AMD Business Support Services Private Limited	1,404.33	-	-

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Nature	**Related Party**	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 1st April, 2020**
Interest receivable	Noval FTWZ Limited	124.02	83.07	41.17
	AMD Business Support Services Private Limited	50.23	-	-
Other recoverable	Laxmipati Balaji Supply Chain Management Limited	367.66	334.83	61.52
Trade Payable	Laxmipati Balaji Supply Chain Management Limited	2.31	5.02	-
Creditors for Capital Goods	Laxmipati Balaji Supply Chain Management Limited	-	0.62	-
Financial Guarantee Obligations	Arshiya Rail Infrastructure Limited	309.98	616.26	998.50
Corporate guarantees taken	Arshiya Rail Infrastructure Limited	600.00	550.00	550.00
Corporate guarantees issued to	Arshiya Rail Infrastructure Limited	75,400.00	75,400.00	78,400.00
Personal guarantees taken	Mr. Ajay S Mittal	2,33,891.00	2,33,841.00	2,33,841.00
	Mrs. Archana A Mittal	2,23,891.00	2,23,291.00	2,23,291.00

65 Loans and Advances in the nature of Loans to Company in which directors are interested (Pursuant to the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015):

Loans and Advances to Related Party

(₹ in Lakh)

Name of the Related Party	**Year**	**Amount outstanding as on March 31,**	**Maximum amount outstanding during the year**	**% of total loans and advances**
AMD Business Support Services Private Limited	2022	1,404.33	3,836.42	81.21%
	2021	-	-	0.00%
	2020	-	-	0.00%
Novel FTWZ Limited	2022	325.00	325.00	18.79%
	2021	325.00	325.00	100.00%
	2020	325.00	325.00	100.00%
Total	2022	**1,729.33**		**100.00%**
	2021	**325.00**		**100.00%**
	2020	**325.00**		**100.00%**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

66 Earnings per share:

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Profit/(loss) for the year from Continuing Operations (₹ In Lakh)	43,121.06	(20,321.26)
Profit/(loss) for the year from Discontinuing Operations (₹ In Lakh)	(730.29)	(224.44)
Profit/(Loss) for the year (₹ in Lakh)	42,390.77	(20,545.70)
Add: Share based payment	347.67	-
Total Profit/(Loss) for the year for diluted EPS (₹ in Lakh)	42,738.44	(20,545.70)
Number of equity shares		
Weighted average number of equity shares (Number)	26,22,75,915	25,86,51,257
Add: Employee Stocks Options (ESOP)	29,89,098	-
Total Weighted average number of equity shares/OCRPS/ESOP	26,52,65,013	25,86,51,257
Nominal value per share (Amount in ₹)	2.00	2.00
Earnings per share for continuing operation (Amount in ₹)		
Basic	16.44	(7.86)
Diluted	16.39	(7.86)
Earnings per share for discontinuing operation (Amount in ₹)		
Basic	(0.28)	(0.09)
Diluted	(0.28)	(0.09)
Earnings per share for continuing and discontinuing operation (Amount in ₹)		
Basic	16.16	(7.95)
Diluted	16.11	(7.95)

67 Taxation

67.1 Tax Reconciliation

(₹ in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Reconciliation of tax expense		
Profit before tax	43,149.88	(20,312.62)
Enacted income tax rate (%) applicable to the Company	25.17% to 27.82%	26% to 27.82%
Tax expenses calculated at enacted income tax rate	8,587.03	(4,889.11)
Related to Property plant & equipment	204.76	209.85
Effect of Expenses that are not deductible in determining taxable profit	4,225.86	6,504.04
Effect of Income that are not considered in determining taxable profit	(13,425.90)	(1,918.32)
Tax holiday benefit avail under section 80IAB of Income Tax Act, 1961	(95.06)	(280.81)
Effect of unused Tax Losses	505.21	374.35
Tax paid under provision of Minimum Alternate Tax (MAT)	26.92	8.64
Income tax expense recognised in the consolidated statement of profit and loss	28.82	8.64

Notes to the Consolidated financial statements for the year ended 31st March, 2022

67.2 Unused tax losses for which no deferred tax assets has been recognised

(₹ in Lakh)

Assessment Year	Business Loss	Available for utilization till	Unabsorbed Depreciation
2012-2013	-		2,067.39
2013-2014	-		2,352.44
2014-2015	-		4,544.46
2015-2016	316.00	A.Y. 2023-2024	7,436.57
2016-2017	1,089.69	A.Y. 2024-2025	6,730.09
2017-2018	53,180.03	A.Y. 2025-2026	6,228.20
2018-2019	16,364.16	A.Y. 2026-2027	2,766.18
2019-2020	585.75	A.Y. 2027-2028	2,076.64
2020-2021	742.31	A.Y. 2028-2029	1,855.88
2021-2022	159.31	A.Y. 2029-2030	1,449.04
2022-2023	360.00	A.Y. 2030-2031	1,725.60
Total	**72,797.25**		**39,232.49**

(₹ in Lakh)

Assessment Year	Long term Capital Loss	Available for utilization till
2016-2017	1,782.85	A.Y. 2024-2025
2019-2020	526.93	A.Y. 2027-2028
Total	**2,309.78**	

Deferred tax assets as at 31st March, 2022 ₹ 23,208.50 Lakh (31st March, 2021 - ₹ 30,173.35 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilized by the Group. Details of deferred tax assets are mentioned below:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Property, plant and equipment	6,613.48	6,885.05
Unabsorbed depreciation	(10,084.93)	(9,770.61)
Expenses disallowable under the Income Tax act	(2,496.26)	(5,090.36)
Unabsorbed losses	(18,905.14)	(20,852.07)
Financial Instruments	1,664.35	(1,345.36)
Total Deferred tax assets	**(23,208.50)**	**(30,173.35)**

68 Financial Risk Management

The Group's principal financial liabilities comprises of borrowings, trade and other payables and financial guarantees contracts. The main purpose of these financial liabilities is to manage for the Group's operations. The Group's financial assets comprises of trade and other receivables, cash and deposits that arises directly from its operations.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

The Group's activities expose it to variety of financial risks including credit risk, liquidity risk and market risk. The Group's risks management assessment, management and processes are established to identify and analyse the risks faced by the Group to set up appropriate risks limits and controls, and to monitor such risks and compliances with the same. Risks assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial instruments, financial assets measured at amortised cost.	Ageing analysis	Regular review of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Unhedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Unhedged

The Group's risk management is carried out by a corporate finance team under the policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas, such as credit risk, interest rate risk.

(a) Credit Risk

The Group is exposed to credit risk, which is risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. Credit risk arises from cash and cash equivalents as well as credit exposures to trade customers including outstanding receivables.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Credit risk is high as only few customers' account for majority of the revenue in the year presented. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain.

(b) Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations without incurring unacceptable losses. The Group's objective is to, at all times; maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group limits its liquidity risk by ensuring regular monitoring of funds from trade and other receivables. The Group relies on assets light business model through monetization of assets and tie-up of construction funding and operating cash flows to meet its needs for funds.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Contractual maturities of financial liabilities

(₹ in Lakh)

Particulars	less than 1 year	1 to 5 years	More than 5 year
31st March, 2022			
Financial liabilities			
Borrowings	68,569.55	18,558.07	-
OCRPS (Equity and Liability Component)	-	-	-
Trade payables	2,205.38	-	-
Creditors for Capital Goods	1,628.75	-	-
Financial guarantee obligations	306.28	3.70	-

Notes to the Consolidated financial statements for the year ended 31st March, 2022

Lease Liabilities	8,378.20	15,073.64	2,514.54
Other financial liabilities	42,027.45	865.74	-
Total	**1,23,115.61**	**34,501.15**	**2,514.54**
31st March, 2021			
Financial liabilities			
Borrowings	66,166.32	44,279.03	-
OCRPS (Equity and Liability Component)	-	-	-
Trade payables	1,958.12	-	-
Creditors for Capital Goods	1,631.59	-	-
Financial guarantee obligations	306.28	106.83	-
Lease Liabilities	5,834.65	11,465.35	-
Other financial liabilities	63,534.18	1,096.27	-
Total	**1,39,431.14**	**56,947.48**	**-**
1st April, 2020			
Financial liabilities			
Borrowings	47,744.74	63,773.99	-
OCRPS (Equity and Liability Component)	-	-	800.00
Trade payables	1,626.51	-	-
Creditors for Capital Goods	1,674.46	-	-
Lease Liabilities	5,568.87	17,144.70	-
Financial guarantee obligations	363.20	635.31	-
Other financial liabilities	45,824.19	91.77	-
Total	**1,02,801.97**	**81,645.77**	**800.00**

(c) Market Risk

Market Risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: 1) Foreign currency risk and 2) Interest rate risk.

1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flow or an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

1.1 Foreign currency risk exposure

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

Particulars	Financial Year Ended	Foreign currency amount	Equivalent amount in INR
		(Amount in Lakh)	(₹ in Lakh)
Bank balances			
USD	31st March, 2022	0.67	50.60
	31st March, 2021	-	-
	1st April, 2020	0.06	4.69

Notes to the Consolidated financial statements for the year ended 31st March, 2022

Trade receivables			
USD	31st March, 2022	63.31	4,797.47
	31st March, 2021	23.85	1,752.16
	1st April, 2020	20.34	1,529.55
EUR	31st March, 2022	4.90	415.47
	31st March, 2021	3.97	341.21
	1st April, 2020	2.19	181.60
Security Deposit from customers			
USD	31st March, 2022	3.70	274.99
	31st March, 2021	3.56	257.57
	1st April, 2020	7.06	539.51
EUR	31st March, 2022	-	-
	31st March, 2021	-	-
	1st April, 2020	0.02	1.44
AED	31st March, 2022	0.28	5.76
	31st March, 2021	0.28	5.56
	1st April, 2020	0.28	5.71
Advance from customers			
USD	31st March, 2022	0.11	8.67
	31st March, 2021	0.002	0.15
	1st April, 2020	0.13	9.85
EUR	31st March, 2022	0.0020	0.17
	31st March, 2021	-	-
	1st April, 2020	0.0003	0.02
AED	31st March, 2022	-	-
	31st March, 2021	-	-
	1st April, 2020	0.04	0.75

1.2 Sensitivity

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(₹ in Lakh)

Particulars	**Increase/(decrease) in profit before tax**		
	As at 31st March, 2022	**As at 31st March, 2021**	**As at 31st March, 2020**
FX rate - increase by 1% on closing rate of reporting date	49.74	18.30	11.59
FX rate - (decrease) by 1% on closing rate of reporting date	(49.74)	(18.30)	(11.59)

The above amounts have been disclosed based on the accounting policy for exchange differences.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the Group's borrowings is fixed rate borrowings carried at amortised cost, therefore not subject to interest rate risk as defined in IND AS - 107, since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Group's interest rate risk arises from long term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's borrowings at the variable rate were mainly denominated in Rupees.

2.1 Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Variable rate borrowing	13,630.41	13,622.41	13,630.89

2.2 Sensitivity of Interest

Profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of changes in interest rates.

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
50 bps increase the profit before tax by	(68.15)	(68.11)	(68.15)
50 bps decrease the profit before tax by	68.15	68.11	68.15

69 Fair Value Measurements

(i) Financial Instruments by Category

(₹ in Lakh)

Particulars	Carrying Amount			Fair Value		
	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Financial Assets						
Amortised cost						
Trade Receivables	4,020.83	2,562.54	1,652.16	4,020.83	2,562.54	1,652.16
Cash and Cash Equivalents	799.02	915.24	839.58	799.02	915.24	839.58
Other Bank Balances	15.03	15.03	16.15	15.03	15.03	16.15
Loan	1,729.34	325.00	325.00	1,729.34	325.00	325.00
Security Deposits	7,589.19	5,300.43	5,076.47	7,589.19	5,300.43	5,076.47
Other Financial Assets	3,760.73	3,221.90	3,309.82	3,760.73	3,221.90	3,309.82
Total	**17,914.14**	**12,340.14**	**11,219.18**	**17,914.14**	**12,340.14**	**11,219.18**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(₹ in Lakh)

Particulars	Carrying Amount			Fair Value		
	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Financial Liabilities						
Amortised cost						
Borrowings	86,952.43	1,11,661.24	1,10,525.84	86,952.43	1,11,661.24	1,10,525.84
Trade Payables	2,205.38	1,958.12	1,626.51	2,205.38	1,958.12	1,626.51
Creditors for Capital Goods	1,628.75	1,631.59	1,674.46	1,628.75	1,631.59	1,674.46
Security Deposits	1,388.49	1,369.33	1,449.20	1,388.49	1,369.33	1,449.20
Financial guarantee obligations	309.98	616.26	998.51	309.98	616.26	998.51
Lease Liabilities	21,312.28	14,837.64	18,461.12	21,312.28	14,837.64	18,461.12
Other financial liabilities	41,504.70	63,057.97	44,466.76	41,504.70	63,057.97	44,466.76
Total	**1,55,302.01**	**1,95,132.15**	**1,79,202.40**	**1,55,302.01**	**1,95,132.15**	**1,79,202.40**

(ii) Fair Valuation techniques used to determine fair value

The Group maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

(a) The Group assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) The fair values for security deposits and other financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(c) The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(iii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard.

(a) Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

(b) Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

70 Capital Management

For the Group's objective when managing capital is to safeguard the Group's ability to continue going concern in order to provide the return to shareholders and benefit to other stakeholders and to maintain an optional capital structure to reduce the cost of capital, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares (if permitted). The Group monitors capital using a gearing ratio, which is debts divided by total equity.

As stated in Notes to accounts, the Group is also having scheme of arrangements to reorganize the capital structure.

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 1st April, 2020
Total Debts	1,28,083.74	1,74,385.52	1,54,105.24
Total Equity	31,222.62	(11,508.44)	8,961.16
Total debt to equity ratio (Gearing ratio)	**4.10**	**(15.15)**	**17.20**

Notes:-

(i) Debt is defined as non-current and current borrowings including current maturities of borrowings and interest accrued.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

Debt Covenants

Under the terms of Restructuring Agreement (RA), the Group is required to comply with, interalia, following financial covenants:

Without prior approval of lender, the Group shall not:

(a) Loans, debenture & charge - Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.

(b) Dividend on equity shares - declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA.

(c) Investments by Borrower - make any investments by way of deposits, loans, share capital etc. in any concern or elsewhere without prior approval of the Lender / Business Monitoring Committee.

(d) One time Settlement - enter into any one time settlement or any other settlement with any lenders other than the Lender, without prior written approval of the Lender, as may be permitted under RA and disclosed to the Lender.

(e) Assignment - assign or transfer of any of its right and obligations to any third party.

(f) Related party transactions - enter into any related party transactions for an amount exceeding ₹ 10 Lakh per month subject to business structure and agreed by Lender.

In order to achieve this overall objective, the capital management, amongst other thing, aims to ensure that it meets financial covenants attached to the interest bearing Loans and borrowings that define capital structure requirements, there have been breaches in the financial covenants of Interest bearing loans and borrowing in the current period and previous period.

The Parent Company has not proposed any dividend in last three year in view of losses incurred.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

71 Revenue from contracts with customers (IND AS 115)

The Group disaggregates revenue from contracts with customers by type of products and services, geography and timing of revenue recognition.

Revenue disaggregation by type of services is given note no. 35.

Revenue disaggregation by geography is as follows:

(₹ in Lakh)

Geography	Year Ended 31st March, 2022	Year Ended 31st March, 2021
India	15,014.12	14,278.42
Outside India	-	-
Total	**15,014.12**	**14,278.42**

Revenue disaggregation by timing of revenue recognition is as follows:

(₹ in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Services transferred over time	15,014.12	14,278.42
Total	**15,014.12**	**14,278.42**

Transaction Price allocated to remaining performance obligations:

The aggregate amount of the transaction price allocated to the performance obligations that are to be satisfied as of 31st March, 2022 amounts to ₹ 2,122.60 Lakh (31st March, 2021 - ₹ 2,109.59 Lakh) as per Lease Deed. The remaining performance obligation are subject to several factors including Panvel storage revenue, cash flow cover, collections within 90 days or mutually agreed. The management of the Parent Company expects that 100% of the unsatisfied performance obligation will be recognised as revenue during the next reporting period amounting to ₹ 2,122.60 Lakh with balance in future one reporting periods thereafter.

72 Information required for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013

S. No.	Name of the subsidiary	FY 2021-22					
		Total Equity		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Total Equity	₹ in Lakh	As % of Consolidated Other Comprehensive Income	₹ in Lakh	As % of Consolidated Total Comprehensive Income	₹ in Lakh
I	<u>Parent Indian:</u>						
1	Arshiya Limited	292.10%	91,200.80	90.11%	(6.65)	94.73%	40,150.39

Notes to the Consolidated financial statements for the year ended 31st March, 2022

S. No.	Name of the subsidiary	FY 2021-22					
		Total Equity		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Total Equity	₹ in Lakh	As % of Consolidated Other Comprehensive Income	₹ in Lakh	As % of Consolidated Total Comprehensive Income	₹ in Lakh
II	**Subsidiaries Indian:**						
2	Arshiya Northern FTWZ Limited	(7.04%)	(2,198.56)	(15.45%)	1.14	(13.91%)	(5,896.11)
3	Arshiya Technologies (India) Private Limited	(0.02%)	(7.02)	-	-	(0.00%)	(0.87)
4	Arshiya Lifestyle Limited	6.69%	2,089.25	10.84%	(0.80)	0.04%	15.89
5	Arshiya Logistics Services Limited	(0.60%)	(187.38)	7.99%	(0.59)	0.01%	3.48
6	Arshiya Northern Projects Private Limited	(0.05%)	(16.81)	-	-	(0.01%)	(4.36)
7	Arshiya Infrastructure Developers Private Limited	(0.01%)	(2.47)	-	-	(0.00%)	(0.79)
8	Unrivalled Infrastructure Private Limited	(0.00%)	(0.64)	-	-	(0.00%)	(0.57)
9	Arshiya Data Centre Private Limited	(0.58%)	(182.09)	-	-	(2.92%)	(1,236.91)
10	Anomalous Infra Private Limited	-	-	-	-	(1.40%)	(595.24)
11	AMD Business Support Services Private Limited	-	-	-	-	(0.00%)	(0.04)
III	**Stepdown Subsidiary:**						
	Held through Arshiya Logistics Services Limited						
12	Arshiya 3PL Services Private Limited	(0.78%)	(244.98)	1.08%	(0.08)	(0.02%)	(8.68)
13	Arshiya Panvel Logistics Services Private Limited	0.02%	5.77	5.42%	(0.40)	0.01%	5.49
14	Arshiya Distribution Hub Private Limited	0.00%	0.72	-	-	(0.00%)	(0.28)
	Held through Arshiya Lifestyle Limited						
15	Arshiya Panvel FTWZ Services Private Limited	2.41%	751.45	-	-	0.01%	4.38
	Consolidation Adjustments/ Eliminiations*	(192.12%)	(59,985.40)	-	-	23.47%	9,947.61
	Total	**100.00%**	**31,222.64**	**100.00%**	**(7.38)**	**100.00%**	**42,383.39**

Notes to the Consolidated financial statements for the year ended 31st March, 2022

S. No.	Name of the subsidiary	FY 2020-21					
		Total Equity		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Total Equity	₹ in Lakh	As % of Consolidated Other Comprehensive Income	₹ in Lakh	As % of Consolidated Total Comprehensive Income	₹ in Lakh
I	**Parent Indian:**						
1	Arshiya Limited	(440.57%)	50,702.75	40.55%	1.93	52.84%	(10,854.18)
II	**Subsidiaries Indian:**						
2	Arshiya Northern FTWZ Limited	(32.13%)	3,697.56	17.65%	0.84	38.09%	(7,823.05)
3	Arshiya Technologies (India) Private Limited	0.05%	(6.15)	-	-	0.00%	(0.91)
4	Arshiya Lifestyle Limited	(17.99%)	2,069.96	4.83%	0.23	(0.12%)	25.48
5	Arshiya Logistics Services Limited	1.66%	(190.85)	36.76%	1.75	(0.01%)	2.10
6	Anomalous Infra Private Limited	2.83%	(326.03)	-	-	2.13%	(438.32)
7	Arshiya Northern Projects Private Limited	0.11%	(12.45)	-	-	0.03%	(5.62)
8	Arshiya Infrastructure Developers Private Limited	0.01%	(1.68)	-	-	0.00%	(0.85)
9	Unrivalled Infrastructure Private Limited	0.00%	(0.07)	-	-	0.00%	(0.36)
10	Arshiya Data Centre Private Limited	(9.17%)	1,054.82	-	-	6.28%	(1,289.37)
11	AMD Business Support Services Private Limited	0.01%	(0.93)	-	-	0.00%	(0.68)
III	**Stepdown Subsidiary:**						
	Held through Arshiya Logistics Services Limited						
12	Arshiya 3PL Services Private Limited	2.05%	(236.30)	0.21%	0.01	0.77%	(158.04)
13	Arshiya Panvel Logistics Services Private Limited	(0.00%)	0.28	-	-	0.00%	(0.38)
	Held through Arshiya Lifestyle Limited						
14	Arshiya Panvel FTWZ Services Private Limited	(0.00%)	0.29	-	-	0.00%	(0.37)
	Consolidation Adjustments/ Eliminiations*	593.13%	(68,259.64)	-	-	(0.02%)	3.61
	Total	**100.00%**	**(11,508.44)**	**100.00%**	**4.76**	**100.00%**	**(20,540.94)**

* The above figures for the Parent Company and subsidaries are presented before intercompany eliminations and consolidation adjustments in order to conform to the respective financial statements of the Parent Company and Subsidiaries.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

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

74 The Group has requested all its lenders for independent confirmation of their outstanding as on 31st March 2022 with a request to confirm their balances directly to the statutory auditors. The Group is confident that there will not be significant changes in its liabilities.

75 Trade receivable includes amount aggregating to ₹ 429.25 Lakh from one of the Customer of Parent Company who have warehoused imported goods. The said Customer has been doing business in Panvel FTWZ since more than five years and have cleared all their dues though there are some delays in payment. The management is confident that the outstanding balance is fully recoverable. Further in the event of any default, the Parent Company will be entitled to lien on their goods stored in FTWZ warehouses, as per terms of agreements. In view of the same, the Parent Company has not made any provision in the books.

76 During the year ended 31st March 2020, Central Bureau of Investigation conducted a search on the Parent Company based on a complaint of UCO Bank, which is no longer a lender to the Group since 31st March 2017. In this regard, the Parent Company has filed a petition with the Hon'ble High Court of Bombay. The Hon'ble High Court of Bombay has given interim relief in favour of the Parent Company whereby all the adverse actions, if any has been stayed by the Hon'ble High Court as prayed and the matter is now sub-judice.

77 Impact relating to Global health pandemic Coronavirus (COVID) 2019:

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 2022, comprising inventories and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

78 During the year, the Group has allocated certain common costs and expenses incurred by it, being the Group, to its related parties aggregating to ₹ 227.82 Lakh (31st March, 2021 - ₹ 145.59 Lakh,) based on management's estimates of such costs and expenses attributable to them. Hence, certain expenses stated under Employee benefits expenses (Refer Note No. 38) and Other expenses (Refer Note No. 41) are presented as net of allocation of certain common costs and expenses.

79 Other Statutory Informations

(a) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(c) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

Notes to the Consolidated financial statements for the year ended 31st March, 2022

(d) Below outstanding balances with companies struck off under section 248 of the Companies Act, 2013:

(₹ in Lakhs)

Name of struck off Companies	Nature of transactions	As at 31st March, 2022	As at 31st March, 2021
Worldline Tradex Private Limited (Under Process of Striking Off)	Security deposit	(0.18)	(0.18)
Inventech Tradexim Private Limited (Under Process of Striking Off)	Security deposit	(0.81)	(0.81)
Tregti Entrepreno Private Limited (Strike Off)	Receivables	9.71	9.71
Enterpride Business Ventures Private Limited (Under Process of Striking Off)	Receivables	24.55	24.55

(e) No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(f) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) The Group does not have any pending creation of charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period except in one of the case, the Parent Company has signed the documents for loan facilities of ₹ 600.00 Lakhs from a NBFC but not drawn said loan. The satisfaction of charges will be filed upon receipt of required documents from a NBFC.

(h) The Group has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(i) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) Utilisation of borrowed funds as on 31st March, 2022, there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(k) The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Parent Company but the Parent Company has voluntarily adopted the CSR policy in 2018.

(l) The Group has complied and accounted the effect of Scheme of Arrangements in accordance with the Scheme and with the Indian accounting standards (Refer Note No. 52).

80 The Parliament of India has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post employment. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

81 Previous year's figures have been regrouped / rearranged wherever necessary to comply with requirement of Ind AS and Schedule III and in view of the Schemes as detailed in note no. 52.

Notes forming part of financial statements

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 30th May, 2022

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Notes to the Consolidated financial statements for the year ended 31st March, 2022

Annexure to the Consolidated Financial Statements

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

(₹ in Lakh)

S. No.	Name of the subsidiary	Financial Period ended	Currency	Equity	Other Equity	Total assets	Total liabilities (excluding equity and other equity)	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	"Profit / (Loss) after taxation"	% of Share holding(1*)
1	Arshiya Northern FTWZ Limited	31st March, 2022	INR	1,086.87	(3,285.43)	71,089.09	73,287.65	-	326.39	(5,897.26)	-	(5,897.26)	100%
2	Arshiya Technologies (India) Private Limited	31st March, 2022	INR	10.12	(17.14)	0.42	7.44	-	-	(0.87)	-	(0.87)	100%
3	Arshiya Lifestyle Limited	31st March, 2022	INR	148.50	1,940.75	13,955.11	11,865.86	1.00	9,807.03	25.31	8.84	16.47	100%
4	Arshiya Logistics Services Limited	31st March, 2022	INR	160.00	(347.38)	3,522.29	3,709.67	7.00	7,731.90	21.60	17.70	3.90	100%
5	Arshiya Northern Projects Private Limited	31st March, 2022	INR	5.00	(21.81)	0.53	17.34	-	-	(4.36)	-	(4.36)	100%
6	Arshiya Infrastructure Developers Private Limited	31st March, 2022	INR	1.00	(3.47)	-	2.47	-	-	(0.79)	-	(0.79)	100%
7	Unrivalled Infrastructure Private Limited	31st March, 2022	INR	1.00	(1.64)	12.65	13.29	-	-	(0.57)	-	(0.57)	100%
8	Arshiya 3PL Services Private Limited	31st March, 2022	INR	5.00	(249.98)	73.94	318.92	-	149.07	(8.60)	-	(8.60)	Nil (2*)
9	Arshiya Panvel Logistics Services Private Limited	31st March, 2022	INR	1.00	4.77	629.25	623.48	-	892.91	7.79	1.90	5.89	Nil (2*)
10	Arshiya Panvel FTWZ Services Private Limited	31st March, 2022	INR	1.00	750.45	12,143.88	11,392.43	-	555.15	5.15	0.77	4.38	Nil (3*)
11	Arshiya Data Centre Private Limited	31st March, 2022	INR	1.00	(183.09)	13,277.14	13,459.23	-	-	(1,236.91)	-	(1,236.91)	100%
12	Arshiya Distribution Hub Private Limited	31st March, 2022	INR	1.00	(0.28)	0.97	0.25	-	-	(0.28)	-	(0.28)	Nil (2*)
13	Anomalous Infra Private Limited	till 28th March, 2022	INR	-	-	-	-	-	324.43	(595.24)	-	(595.24)	Nil
14	AMD Business Support Services Private Limited	till 13th August, 2021	INR	-	-	-	-	-	-	(0.04)	-	(0.04)	Nil

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

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Dinesh Kumar Sodani
Chief Financial Officer

Navnit Choudhary
VP - Commercial

Ratika Gandhi
Company Secretary

Place: Mumbai
Date: 30th May, 2022

REGISTERED OFFICE

Arshiya Limited

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