

Ref: AL/SE/062021/09

Date: 30th June, 2021

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

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

Re.: - Arshiya Limited ("the Company") – **NSE Scrip Name: ARSHIYA**

BSE Scrip Code: 506074

Sub: Outcome of Meeting of the Board of Directors of Arshiya Limited held on 30th June, 2021

Dear Sir /Madam,

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), inter-alia and the following other matters:

1. The Board approved the Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2021.

In this regard, please find enclosed:

- a) Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended March 31, 2021
 - b) Auditor's Report in respect of the Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2021
 - c) The declaration that the Report of Statutory Auditors is with modified opinion with respect to Standalone & Consolidated Audited Financial Results for the year ended March 31, 2021 is attached herewith.
2. Constitution of Risk Management Committee with effect from 30th June, 2021.
 3. Adoption of the amended Code of Conduct for Prevention of Insider Trading & Code of Fair Disclosure Practices with effect from 30th June, 2021.
 4. CS Jitender Singh, (C.P. No. 12463) Practicing Company Secretary has been appointed as the Secretarial Auditor of the Company for the Financial Year 2021-22.
 5. Sale of assets of the material subsidiary, Arshiya Rail Infrastructure Limited.

Arshiya Limited

6. The Board reviewed the following policies (including adoption of new policies) and approved the same with effect from 30th June, 2021:
- a. Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.
 - b. Policy for determination of materiality.
 - c. Vigil Mechanism Policy / Whistle blower Policy.
 - d. Risk Management Policy.
 - e. Familiarization Programmes for Independent Director(s).
 - f. Code of conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their immediate relatives and for Fair Disclosures
 - g. Nomination and Remuneration Policy
 - h. Dividend Distribution Policy and
 - i. Policy on Board evaluation

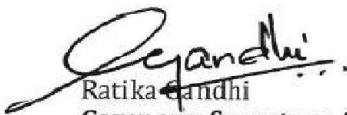
The Meeting of the Board of Directors commenced at 14:30 and concluded at 20:00.

Kindly take the same on your record and acknowledge.

Thanking you.

Yours faithfully,

For ARSHIYA LIMITED



Ratika Gandhi

Company Secretary & Compliance Officer

Membership No. A29732



Encl: A/a

Arshiya Limited

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF

ARSHIYA LIMITED

Report on the audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying standalone quarterly financial results of **Arshiya Limited** ("the Company") for the quarter ended 31st March, 2021 and the year to date results for the period from 1st April, 2020 to 31st March, 2021 ("the statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter ended 31st March, 2021 and the year to date results for the period from 1st April, 2020 to 31st March, 2021.

Basis for Qualified Opinion

As mentioned in the Note No. 5 to the statement, the Company has provided penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%. The interest provisions in earlier period / years till 30th September 2019 were accounted based on the confirmations received from EARC at 8% penal interest rate. It has resulted in the short provision of interest amounting to Rs. 2198.74 Lakh till the year ended 31st March 2020 and for the quarter and year ended 31st March 2021 amounting to Rs. 320.91 Lakh and Rs. 1301.46 Lakh, respectively, which is not in compliance with Ind AS-23 "Borrowing Cost" read with Ind AS-109 "Financial Instruments". In aggregate interest provisions



are lower by Rs. 3500.20 Lakh till 31st March 2021. Had interest been recognised at its documented rate, finance cost for the quarter and year ended 31st March 2021 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.

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

Material uncertainty related to going concern:-

We draw attention to the Note no. 9 of the statement, the Company is unable to pay its dues to operational and financial creditors, the Company has defaulted in repayment of dues to lenders and started recovery proceeding, the Company has given guarantees for loan taken by the subsidiaries out of which guarantees are invoked by two lenders, some of the lenders have even called back their loans, current liabilities exceeded its current assets of the Company, lenders have applied before NCLT under Insolvency and Bankruptcy Code, 2016, and the Company have accumulated losses as at 31st March 2021. These matters including other matters as set out in the notes indicate that a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern. The management's plans as a developer of the business indicate that monetization will happen periodically, and staggered but significant payments will be received to streamline the cash flows. These along with other developments in the sector are detailed in the notes. The said assumption of going concern is dependent upon Company's plan to monetize its assets in timely manner and generate cash flows to meet its obligations. Our opinion is not modified in respect of the said matter.

Emphasis of Matters

- i. We draw attention to the Note no. 6 to the statement, regarding invocation of corporate guarantee by the Company to lenders of Arshiya Northern FTWZ Limited (ANFTWZ). The Company carried out the fair valuation of above



- guarantee through an independent Chartered Accountants firm and as per their report the value of assets in favor of lenders of ANFTWZ is higher than the total liabilities to them. Accordingly, no provision against the claims under the invoked corporate guarantee is considered necessary by the management.
- ii. We draw attention to the Note no. 7 to the statement, regarding Company's non-current investment in Arshiya Northern FTWZ Limited (ANFTWZ) and its loans dues amounting to Rs. 45322.25 Lakh and Rs. 14,688.47 Lakh, respectively. The operations of ANFTWZ are dependent on business plans and various steps taken by the management. Based on this and other factors stated in aforesaid note, management has considered that no adjustment, at this stage, are required to be made to the carrying value of investment and receivables as at 31st March, 2021.
- iii. We draw attention to the Note no. 8 of the statement, pending execution of restructuring agreement for assignment of its debt to Edelweiss Asset Reconstruction Company (EARC), the Company has continued to provide normal interest for the quarter and year ended 31st March, 2021 in line with major terms negotiated with EARC in case of other agreements. In view of the management, no penal interest needs to be provided for the above said debt presently.
- iv. We draw attention to the Note no. 15, during the course of preparation of standalone financial statements for the year ended 31st March 2021, e-mails have been sent to lenders by the Company with a request to confirm their balances directly to us. As at 31st March 2021, direct balance confirmations of total borrowings including interest accrued (including current maturities and current borrowings), aggregating to Rs. 118269.24 Lakh have not been received. Out of these, the Company has received statements / confirmations amounting to Rs. 101115.89 Lakh which have been provided to us. The management is confident and is of the view that there will not be any material variation in it's liabilities.

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

Management's Responsibilities for the Standalone Financial Results

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



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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

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

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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not



detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Other Matter

We report that the figures for the quarter ended 31st March, 2021 represent the derived figures between the audited figures in respect of the financial year ended 31st March, 2021 and the published unaudited year-to-date figures up to 31st December, 2020 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us. Our opinion is not modified in respect of this matter.

For Chaturvedi & Shah LLP

Chartered Accountants

Registration Number: 101720WW/100355

Vijay Napawaliya



Vijay Napawaliya

Partner

Membership Number: 109859

UDIN: 21109859AAAACW1742

Place: Mumbai

Date: 30th June 2021

Arshiya Limited

CIN: L93000MH1981PLC024747

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

Phone No. 022 42305500 # Email id: info@arshiyalimited.com # website: www.arshiyalimited.com

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

(Rs. in Lakhs)

Sr.No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Refer note no.2)	(Unaudited)	(Refer note no.2)	(Audited)	(Audited)
1	Income					
	(a) Revenue from operations	2,152.59	1,350.88	6,006.40	6,720.59	23,868.15
	(b) Other Income	100.44	448.75	276.00	1,833.15	1,229.28
	Total Income	2,253.03	1,799.63	6,282.40	8,553.74	25,097.43
2	Expenses					
	(a) Cost of Inventories (Leased Land)	-	-	1,100.50	-	5,775.28
	(b) Employee benefits expense	223.30	259.67	269.95	961.13	1,272.91
	(c) Finance costs	3,782.62	3,733.20	3,378.54	14,812.38	13,122.32
	(d) Depreciation and amortization expense	262.30	326.86	354.94	1,289.67	1,571.09
	(e) Other expenses	1,004.97	253.49	210.78	1,518.59	745.76
	Total Expenses (a+b+c+d+e)	5,273.19	4,573.22	5,314.71	18,581.77	22,487.36
3	Profit/(Loss) before exceptional items and Tax (1-2)	(3,020.16)	(2,773.59)	967.69	(10,028.03)	2,610.07
4	Exceptional Items (Net) (Refer note no.10)	-	-	1,07,752.25	-	1,08,062.25
5	Profit/(Loss) before tax (3-4)	(3,020.16)	(2,773.59)	(1,06,784.56)	(10,028.03)	(1,05,452.18)
6	Tax expense	-	-	1,102.96	-	1,102.96
7	Net profit/(Loss) after Tax (5-6)	(3,020.16)	(2,773.59)	(1,07,887.52)	(10,028.03)	(1,06,555.14)
8	Other Comprehensive Income					
	Items that will not be reclassified to profit and loss:					
	Remeasurement of net defined benefit plan	(4.40)	2.11	(0.14)	1.93	26.35
9	Total Comprehensive Income	(3,024.56)	(2,771.48)	(1,07,887.66)	(10,026.10)	(1,06,528.79)
10	Paid-up equity share capital (Face value per share Rs. 2/-)	5,245.52	5,161.52	5,161.52	5,245.52	5,161.52
11	Other Equity excluding Revaluation reserve				55,425.37	65,175.74
12	Earnings Per Equity Share (EPS) in Rs.					
	- Basic	(1.16)*	(1.07)*	(42.42)*	(3.88)	(43.13)
	- Diluted	(1.16)*	(1.07)*	(42.42)*	(3.88)	(43.13)
	(*not annualised)					



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AUDITED STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

(Rs. in Lakhs)

Sr.No.	Particulars	As at 31.03.2021	As at 31.03.2020
I	ASSETS		
	Non-Current Assets		
	(a) Property, Plant and Equipment	69,644.85	71,001.14
	(b) Right of use assets	168.07	164.41
	(c) Intangible Assets	308.79	525.93
	(d) Intangible Assets Under Development	60.00	60.00
	(e) Financial Assets		
	(i) Investments	50,157.19	50,149.73
	(ii) Loans	2,173.47	1,940.60
	(iii) Trade Receivables	-	7,006.05
	(f) Other Non-Current Assets	438.85	682.33
		1,22,951.22	1,31,530.19
	Current assets		
	(a) Inventories	12,537.34	12,537.34
	(b) Financial Assets		
	(i) Trade Receivables	24,773.53	15,961.93
	(ii) Cash and Cash Equivalents	38.04	9.67
	(iii) Bank Balances Other than (ii) above	15.03	16.15
	(iv) Loans	20,469.30	17,455.78
	(v) Other Financial Assets	4,030.88	3,647.85
	(c) Other Current Assets	2,245.45	1,966.54
		64,109.57	51,595.26
	(d) Assets held for sale (Refer note no. 11)	1,145.89	1,145.89
	Total Assets	1,88,206.68	1,84,271.34
II	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share Capital	5,245.52	5,161.52
	(b) Other Equity	55,425.37	65,175.74
		60,670.89	70,337.26
	Liabilities		
	Non Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	40,378.55	54,419.60
	(ii) Lease Liabilities	130.74	77.02
	(iii) Other Financial Liabilities	422.99	874.93
	(b) Provisions	69.87	90.56
		41,002.15	55,462.11
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	9,384.56	9,348.38
	(ii) Trade Payables		
	Micro and Small Enterprises	148.64	188.37
	Others	779.01	814.19
	(iii) Lease Liabilities	46.80	97.91
	(iv) Other Financial Liabilities	71,135.76	44,418.04
	(b) Other Current Liabilities	5,033.76	3,580.39
	(c) Provisions	5.11	7.14
		86,533.64	58,454.42
	(d) Liabilities associated with assets classified as held for sale (Refer note no. 11)	-	17.55
	Total Equity and Liabilities	1,88,206.68	1,84,271.34



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AUDITED STANDALONE SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Refer note no.2)	(Unaudited)	(Refer note no.2)	(Audited)	(Audited)
1	Segment Revenue					
	FTWZ/SEZ	2,152.59	1,328.83	5,973.85	6,632.39	23,741.10
	Domestic Warehousing	-	22.05	32.55	88.20	127.05
	Total Revenue from Operations	2,152.59	1,350.88	6,006.40	6,720.59	23,868.15
2	Segment Results Before Tax and Interest					
	FTWZ/SEZ	580.91	519.69	4,065.12	3,133.88	14,609.98
	Domestic Warehousing	33.95	(0.41)	31.02	89.78	128.83
	Total	614.86	519.28	4,096.14	3,223.66	14,738.81
	Less: Unallocated Expenses net of Income	(147.60)	(440.33)	(250.09)	(1,560.69)	(993.58)
	Less: Finance Costs	3,782.62	3,733.20	3,378.54	14,812.38	13,122.32
	Less: Exceptional Items (Net) (Refer note no. 10)	-	-	1,07,752.25	-	1,08,062.25
	Profit/(Loss) before tax	(3,020.16)	(2,773.59)	(1,06,784.56)	(10,028.03)	(1,05,452.18)
3	Segment Assets					
	FTWZ/SEZ	1,06,754.18	1,05,755.63	1,06,034.47	1,06,754.18	1,06,034.47
	Domestic Warehousing	7,506.65	7,616.58	7,544.87	7,506.65	7,544.87
	Unallocated	72,799.96	71,715.73	69,546.11	72,799.96	69,546.11
	Total Assets of Continuing Operations	1,87,060.79	1,85,087.94	1,83,125.45	1,87,060.79	1,83,125.45
	Assets held for sale	1,145.89	1,145.89	1,145.89	1,145.89	1,145.89
	Total Assets of Continuing and Discontinuing Operations	1,88,206.68	1,86,233.83	1,84,271.34	1,88,206.68	1,84,271.34
4	Segment Liabilities					
	FTWZ/SEZ	7,021.06	5,788.59	5,837.15	7,021.06	5,837.15
	Domestic Warehousing	-	0.27	2.31	-	2.31
	Unallocated	1,20,514.73	1,16,913.40	1,08,077.07	1,20,514.73	1,08,077.07
	Total Liabilities of Continuing Operations	1,27,535.79	1,22,702.26	1,13,916.53	1,27,535.79	1,13,916.53
	Liabilities associated with assets classified as held for sale	-	-	17.55	-	17.55
	Total Liabilities of Continuing and Discontinuing Operations	1,27,535.79	1,22,702.26	1,13,934.08	1,27,535.79	1,13,934.08



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AUDITED STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	(Rs. in Lakh)	
Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Cash flow from operating activities		
Profit/(Loss) before tax	(10,028.03)	(1,05,452.18)
Adjustments for		
Sundry balances written off/back (net)	989.81	(25.49)
Discarding/written off of Capital Work in progress, Property, plant and equipment and Intangible assets	-	26.50
Profit on disposal of Property, plant and equipment (net)	(0.17)	(0.38)
Bad debts	-	34.85
Written back / Allowance for doubtful debts	6.92	(23.49)
Exceptional Items (net)	-	1,08,062.25
Depreciation and amortization expense	1,289.67	1,571.09
Finance costs	14,812.38	13,122.32
Unwinding interest income on loan to subsidiaries	(232.87)	(208.46)
Interest income on fixed deposits	(1.02)	(1.09)
Interest income on others	(2.72)	(152.79)
Interest income on tax refund	(30.96)	(180.59)
Gain on derecognised of Liability Component of Compound Financial Instruments (OCRPS)	(16.13)	-
Financial guarantees income	(554.42)	(616.36)
Gain on derecognised of Financial guarantee income	(18.97)	(10.97)
Gain on disposal of investment in subsidiary	-	(5.00)
Gain on Lease modification	(4.66)	(2.51)
Provision for impairment of loan to subsidiary written back	(738.30)	-
Share based payment	107.67	23.15
Foreign exchange difference (net)	(3.67)	41.20
Operating profit before working capital changes	5,574.53	16,202.05
Adjustments for		
Change in Inventories	-	5,775.28
(Increase) in financial and other assets	(3,109.27)	(17,302.43)
Increase/(decrease) in financial and other liabilities	800.44	(4,763.58)
Cash generated from operations	3,265.70	(88.68)
Direct taxes paid (net of refunds)	265.53	693.69
Net cash flow from operating activities	(A) 3,531.23	605.01
Cash flow from investing activities		
Purchase of property, plant and equipments	(24.53)	(26.33)
Proceeds from sale of property, plant and equipment	0.51	0.70
Investment made in equity shares	(1.00)	(1.00)
Sale of Investment in subsidiaries	-	10.00
Loans given to subsidiaries (net)	(2,166.27)	1,904.84
Interest income on Loan to other	-	152.79
Interest income on fixed deposits	2.14	0.11
Net cash flow from investing activities	(B) (2,189.15)	2,041.11
Cash flow from financing activities		
Issue of Equity shares	34.00	-
Share issue expenses	-	(13.13)
Repayment of non-current borrowings	(1.60)	(11.37)
Short-term borrowings (Net)	41.07	87.22
Lease liability paid	(36.11)	(122.94)
Interest paid	(1,351.07)	(2,582.09)
Net cash flow from financing activities	(C) (1,313.71)	(2,642.31)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	28.37	3.81
Cash and cash equivalents at the beginning of the year	9.67	5.86
Cash and cash equivalents at the end of the year	38.04	9.67



Notes to Audited Standalone Financial Results:-

1. The Audit Committee has reviewed the results and the Board of Directors has approved these results for the quarter and year ended 31st March 2021 and its release in the meeting held on 30th June, 2021.
2. Figures of the quarter ended 31st March 2021 and 31st March, 2020 are the balancing figures between audited figures in respect of the full financial year and year to date figures up to the third quarter of the relevant financial year.
3. The Board of Directors of the Company at their meeting held on 24th May, 2018, had approved a Composite Scheme of Arrangement for Demerger of the Domestic Business undertaking of the Company with Arshiya Rail Infrastructure Limited ("ARIL") to reorganize its corporate structure spread across group companies and in order to integrate / consolidate its operations.

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

The said Scheme has been approved by shareholders, unsecured and secured creditors of the respective companies. Joint Petition has been admitted by Hon'ble NCLT, Mumbai on 15th June, 2021 for sanctioning of the aforesaid Scheme and the said petition is fixed for hearing before the Hon'ble NCLT, Mumbai on 8th July 2021. The Scheme shall be given effect after receipt of necessary regulatory approvals.

4. During the quarter, 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 of to eligible employees 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 Rs. 5,245.52 Lakh divided into equity shares 26,22,75,915 of face value of Rs. 2/- each
5. Upon signing of Restructuring Agreement with Edelweiss Assets Reconstruction Company Limited (EARC), the Company is accruing penal interest on restructured debt @ 8% p.a. based upon the balance confirmation provided by EARC till 30th September 2019 against the documented rate of 18% per annum. It has resulted in the short provision of penal interest amounting to Rs. 2,198.74 Lakh till the year ended 31st March, 2020 and for the quarter and year ended 31st March, 2021 amounting to Rs. 320.91 Lakh and Rs. 1,301.46 Lakh



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respectively. In aggregate penal interest provisions are lower by Rs. 3,500.20 Lakh till 31st March 2021. The Company represented to EARC for revision in penal interest and the same is under discussion. The Auditors have issued a modified opinion in respect of the said matter in their audit report.

6. The Company had issued a corporate guarantee of Rs. 35,732.23 Lakh to the lenders of Arshiya Northern FTWZ Limited ("ANFL") a subsidiary Company. This guarantee has been invoked by the lenders since ANFL had defaulted in servicing its borrowings towards principal and interest. The Company has carried out a fair valuation of this corporate guarantee through an independent chartered accountant firm and as per their report the value of security created in favour of the lender is higher than the total liability towards the borrowing. Accordingly, no provision is required towards the guarantee so invoked. The Auditors have referred to this as an emphasis of matter in their audit report.
7. Based on Arshiya Northern FTWZ Limited's (ANFL, a subsidiary of the Company), business re-structuring and revival plans and, the in-principle term sheet signed with Ascendas Property Fund Trustee Pte. Ltd. ("Ascendas") for monetisation of warehouse, an assessment was carried out by the management of the Company and hence no provision for impairment on its investment in ANFL and loan to ANFL is considered necessary as on 31st March 2021. The Auditors have referred to this as an emphasis of matter in their audit report.
8. One of the Public Financial Institution (PFI) and one of the Non-Banking Financial Company (NBFC) which were lenders, have assigned their debts to EARC. The Company continues to provide normal 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. The Auditors have referred to this as an emphasis of matter in their audit report.
9. The focussed emphasis of the Government on logistics infrastructure sector is a big boon for the Company's business plan. The recent amendments in the SEZ policy, allowing manufacturing within the FTWZs will enhance the scope of activities carried out by FTWZ. exponentially and will improve the Company's ability to expand the client base multi-fold. This will enable the Company to offer additional value propositions to its clients and increase its business to a great extent, including 'Contract Manufacturing' in line with Global Free Zones. The management's plans as a developer of the business indicate that monetization will happen periodically and staggered, but significant payments will be received to streamline the cash flows.

Further, India is witnessing a rapid growth in internet penetration and telecommunication technology. The expansion of the consumer base is



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

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

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

10. The exceptional items during the previous year ended 31st March 2020 represent, loss on account of settlement for various claims amounting to Rs. 6,861.81 Lakh and provisions for carrying value of investment in a subsidiary and loans to a subsidiary aggregating amounting to Rs. 101,200.44 Lakh.
11. The Company has entered into conditional Share Purchase Agreements with Ascendas Property Fund (India) Pte. Ltd. ("APFI") for sale of entire equity shares of Anomalous Infra Private Limited ("AIPL") and Arshiya Northern Projects Private Limited ("ANPPL") to APFI, upon fulfilment of certain conditions precedent and is subject to various approvals. Hence, investment in AIPL and ANPPL has been considered as Investment held for sale and discontinued operation as per Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations". As per transaction documents related to AIPL, the construction activities of the new multi-storied warehouse building at FTWZ Panvel has been completed and is expected to be monetised in Q2-FY22 or early Q3-FY22.
12. The lender of ANFL and ARIL have filed petition against respective companies for recovery of dues at NCLT under Insolvency and Bankruptcy Code, 2016. The lender of ANFL has also called upon the Company as a corporate guarantor to the said loan. The matter is pending for pre-admission stage.
13. As per Ind AS 108 "Operating Segment" the Company has identified and reported segment information in two segments as under:



- (i) Developing and Operating Free Trade & Warehousing Zone (FTWZ) and Special Economic Zone (SEZ)
- (ii) Domestic Warehousing

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

14. 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.
15. The Company has sent email to all its lenders for independent confirmation of their outstanding as on 31st March 2021 aggregating Rs. 1,18,269.24 Lakh with a request to confirm their balances directly to our statutory auditors. Out of these, the Company has received statements / confirmations amounting to Rs. 1,01,115.89 Lakh which have been provided to statutory auditors. The Company is confident that there will not be significant changes in its liabilities. The Auditors have referred to this as an emphasis of matter in their audit report.
16. The figures for the previous period / year have been re-grouped / re-arranged, wherever necessary, to correspond with the current period's classification/ disclosures.

For and on behalf of Board of Directors of Arshiya Limited

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



Place: Mumbai

Date: 30th June, 2021

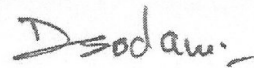
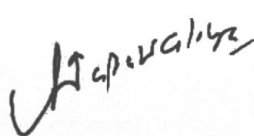
ARSHIYA LIMITED

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Rs. in Lakhs)				
I.	Sl. No.	Particulars	Audited Figures as of Mar-2021 (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	8,553.74	8,553.74
	2.	Total Expenditure (net of exceptional item)	(18,581.77)	(19,883.23)
	3.	Net Profit/(Loss) after Tax	(10,028.03)	(11,329.49)
	4.	Earnings Per Share (in Rupees per share)	(3.88)	(4.38)
	5.	Total Assets	1,88,206.68	1,88,206.68
	6.	Total Liabilities	1,27,535.79	1,31,035.99
	7.	Net Worth	60,670.89	57,170.69
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	Details of Audit Qualification			
	<p>As mentioned in the Note No. 5 to the statement, the Company has provided penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%. Interest provisions in earlier period / years were accounted based on the confirmations received from EARC. It has resulted in the short provision of interest amounting to Rs. 2,198.74 Lakh till the year ended 31st March 2020 and for the quarter and year ended 31st March 2021 amounting to Rs. 320.91 Lakh and Rs. 1,301.46 Lakh, respectively, which is not in compliance with Ind AS-23 "Borrowing Cost" read with Ind AS-109 "Financial Instruments". In aggregate interest provisions are lower by Rs. 3,500.20 Lakh till 31st March 2021. Had interest been recognised at its documented rate, finance cost for the quarter and year ended 31st March 2021 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.</p>			



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

III. Signatories:	
Ajay S Mittal Chairman & Managing Director DIN: 00226355	
Dinesh Sodani CFO	
Ashishkumar Bairagra Audit Committee Chairman	
Statutory Auditor Chaturvedi & Shah LLP Registration No. 101720W/W100355 Vijay Napawaliya Partner Membership No.: 109859	
Place: Mumbai	
Date: 30 th June, 2021	



INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF

ARSHIYA LIMITED

Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **Arshiya Limited** ("Holding company") and its subsidiaries (Holding company and its subsidiaries together referred to as "the Group") for the quarter ended 31st March, 2021 and for the period from 1st April, 2020 to 31st March, 2021 ("the Statement"), being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- a. includes the results of the entities as mentioned below;
- Arshiya Lifestyle Limited
 - Arshiya Logistics Services Limited
 - Arshiya Northern Projects Private Limited
 - Arshiya Rail Infrastructure Limited
 - Arshiya Northern FTWZ Limited
 - Arshiya Technologies (India) Private Limited
 - Arshiya 3PL Services Private Limited
 - Anomalous Infra Private Limited
 - Arshiya Infrastructure Developers Private Limited
 - Unrivalled Infrastructure Private Limited
 - Arshiya Panvel FTWZ Services Private Limited
 - Arshiya Panvel Logistics Services Private Limited
 - Arshiya Data Centre Private Limited
 - AMD Business Support Services Private Limited (Acquired on 08th April, 2020)



- b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- c. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income comprising of net loss and other comprehensive income and other financial information of the Group for the quarter ended 31st March, 2021 and for the period from 1st April, 2020 to 31st March, 2021.

Basis for Qualified Opinion

- i. *As mentioned in the Note No. 5 of the statement, the Group has provided penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%. The interest provisions in earlier period / years till 30th September 2019 were accounted based on the confirmations received from EARC at 8% penal interest rate. It has resulted in the short provision of interest amounting to Rs. 3070.96 Lakh till the year ended 31st March 2020 and for the quarter and year ended 31st March 2021 amounting to Rs. 953.51 Lakh and Rs. 3908.25 Lakh, respectively, which is not in compliance with Ind AS-23 "Borrowing Cost" read with Ind AS-109 "Financial Instruments". In aggregate interest provisions are lower by Rs. 6979.21 Lakh till 31st March 2021. Had interest been recognised at its documented rate, finance cost for the quarter and year ended 31st March 2021 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.*
- ii. *As mentioned in Note No. 13 of the statement, a subsidiary company failed to make payment as prescribed as per one time settlement with lender. As a result, event of default has occurred and the entire debt prior to date of settlement become payable along with interest. The subsidiary has not reversed the gain recorded in earlier year and not provided for additional interest till 31st March 2020 Rs. 5975.95 Lakh and for the quarter and year ended 31st March, 2021 Rs. 803.40 Lakh and Rs. 3,036.20 Lakh, respectively, aggregating to Rs. 9012.15 Lakh till 31st March, 2021. Had the subsidiary Company reversed the gain recorded in earlier year and provided for additional interest, exceptional item would have been lower by Rs. 6604.55 Lakh and finance cost would have been higher by Rs. 9012.15 Lakh by equivalent amount as mentioned above, having consequential impact on total comprehensive income and other equity.*



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

Material uncertainty related to the Going Concern

We draw attention to the Note no. 9 of the statement, which indicate that the Holding Company and one of the subsidiary have accumulated losses as at 31st March 2021, unable to pay it's dues to operational and financial creditors, the Holding Company and that subsidiary has defaulted in repayment of dues to lenders and started recovery proceeding, some of the lenders have even called back their loans, lenders has applied before NCLT under Insolvency and Bankruptcy Code, 2016. These matters including other matters as set out in the notes indicate that a material uncertainty exists that may cast significant doubt about their ability to continue as a going concern. The Management's plans as a developer of the business indicate that monetization will happen periodically and staggered but significant payments will be received to streamline the cash flows. These along with other developments in the sector are detailed in the notes. The said assumption of going concern is dependent upon Holding Company and subsidiary' 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. The auditor of two subsidiaries in their report on the financial statements of those subsidiaries have reported in their report, following paragraph:-
We draw attention to note 6 and 7 to the statement regarding recoverability of amounts aggregating to Rs. 1438.48 Lakh as at 31st March, 2021. The Management of the Company is of the view that these amounts are considered to be good and fully recoverable and accordingly, no provision is required to be made in view of the reasons stated in the foregoing note.



- ii. We draw attention to the note no. 8 of the statement, pending execution of restructuring agreement for assignment of parent company's debt to Edelweiss Asset Reconstruction Company (EARC), the parent company has continued to provide normal interest for the quarter and year ended 31st March, 2021 in line with major terms negotiated with EARC in case of other agreements. In view of the management, no penal interest needs to be provided for the above said debt presently.
- iii. We draw attention to the note no. 17 of the statement, during the course of preparation of consolidated financial statements for the year ended 31st March 2021, e-mails have been sent to lenders by the Group with a request to confirm their balances directly to auditors. As at 31st March 2021, direct balance confirmations of total borrowings including interest accrued (including current maturities and current borrowings), aggregating to Rs. 238252.45 Lakh have not been received. Out of these, the Group has received statements / confirmations amounting to Rs.186701.70 Lakh which have been provided to us. The management is confident and is of the view that there will not be any material variation in it's liabilities.
- iv. As at 31st March, 2021 balance confirmation of capital advance amounting to Rs. 1001.64 Lakh have not been received by one of the subsidiary company.

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

Management's Responsibilities for the Consolidated Financial Results

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

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group



and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143 (3) (i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

- (i) The consolidated financial results include the audited financial results of 6 subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 55,432.11 Lakh as at 31st March, 2021, total revenue of Rs. 4,650.56 Lakh & Rs. 17,309.89 Lakh, total net profit/(loss) after tax of Rs. (344.48) Lakh & Rs. (1,708.39) Lakh and total comprehensive income of Rs. (344.58) Lakh & Rs. (1,706.41) Lakh for the quarter ended 31st March, 2021 and for the period from 1st April, 2020 to 31st March, 2021 respectively, and cash outflow (net) of Rs. (231.01) Lakh for the period from 1st April 2020 to 31st March 2021, as considered in the consolidated financial results. The independent auditors' reports on financial statements /financial information of these entities have been furnished to us and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



- (ii) We report that the figures for the quarter ended 31st March, 2021 represent the derived figures between the audited figures in respect of the financial year ended 31st March, 2021 and the published unaudited year-to-date figures up to 31st December, 2020 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us.

Our opinion is not modified in respect of above matters.

For Chaturvedi & Shah LLP
Chartered Accountants
Registration Number: 101720W/W 100355

Vijay Napawaliya



Vijay Napawaliya
Partner
Membership Number: 109859

UDIN: 21109859AAAACX3674

Place: Mumbai
Date: 30th June 2021

Arshiya Limited

CIN: L93000MH1981PLC024747

Registered Office: 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block,

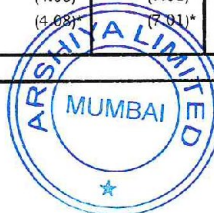
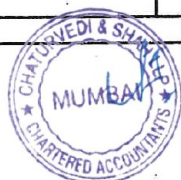
Dr. Annie Besant Road, Worli, Mumbai- 400 018

Phone No. 022 42305500 # Email id: info@arshiyalimited.com # website: www.arshiyalimited.com

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

(Rs. In Lakhs)

Sr.No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Refer Note No. 2)	(Unaudited)	(Refer Note No. 2)	(Audited)	(Audited)
1	Income					
	(a) Revenue from operations	4,216.92	5,433.99	6,580.26	22,064.03	29,448.35
	(b) Other Income	3,845.30	206.65	349.91	5,389.11	1,317.06
	Total Income	8,062.22	5,640.64	6,930.17	27,453.14	30,765.41
2	Expenses					
	(a) Material Handling, value optimisation services and other charges	237.38	277.01	230.57	1,013.79	1,021.59
	(b) Freight Expenses	311.68	1,424.13	2,304.29	5,849.95	11,589.12
	(c) Terminal Expenses	(0.84)	46.50	119.07	281.33	440.42
	(d) Other Operating Expenses	45.58	39.28	44.15	142.77	191.44
	(e) Employee benefits expense	549.94	628.97	691.81	2,433.86	3,103.03
	(f) Finance costs	9,834.73	9,741.23	8,609.24	38,460.21	33,625.39
	(g) Depreciation and amortization expense	2,801.33	2,896.24	3,524.27	12,082.76	14,284.97
	(h) Other expenses	1,367.49	1,073.52	705.39	3,778.53	3,694.87
	Total Expenses (a to h)	15,147.29	16,126.88	16,228.79	64,043.20	67,950.83
3	Profit/(Loss) before exceptional and Tax (1-2)	(7,085.07)	(10,486.24)	(9,298.62)	(36,590.06)	(37,185.42)
4	Exceptional Items (Net) (Refer note no.14)	-	-	7,497.50	-	7,810.00
5	Profit/(Loss) before tax (3-4)	(7,085.07)	(10,486.24)	(16,796.12)	(36,590.06)	(44,995.42)
6	Tax expense	(2.73)	6.18	986.23	8.64	1,109.93
7	Net profit/(Loss) after Tax from Continuing Operations (5-6)	(7,082.34)	(10,492.42)	(17,782.35)	(36,598.70)	(46,105.35)
8	Profit/(loss) from Discontinuing Operations (Refer note no. 10)	(107.36)	(38.50)	(44.14)	(224.44)	(111.10)
9	Net profit/(Loss) after Tax (7+8)	(7,189.70)	(10,530.92)	(17,826.49)	(36,823.14)	(46,216.45)
10	Other Comprehensive Income					
	Item that will not be reclassified to profit and loss:					
	Remeasurement of gains / (losses) on defined benefit plans	(6.33)	6.92	(23.03)	14.45	55.26
11	Total Comprehensive Income	(7,196.03)	(10,524.00)	(17,849.52)	(36,808.69)	(46,161.19)
12	Profit/(Loss) attributable to:					
(a)	Owner of the parent	(7,189.70)	(10,530.92)	(17,826.49)	(36,823.14)	(46,216.45)
(b)	Non-controlling interest	-	-	-	-	-
		(7,189.70)	(10,530.92)	(17,826.49)	(36,823.14)	(46,216.45)
13	Other Comprehensive Income attributable to:					
(a)	Owner of the parent	(6.33)	6.92	(23.03)	14.45	55.26
(b)	Non-controlling interest	-	-	-	-	-
		(6.33)	6.92	(23.03)	14.45	55.26
14	Total Comprehensive Income attributable to:					
(a)	Owner of the parent	(7,196.03)	(10,524.00)	(17,849.52)	(36,808.69)	(46,161.19)
(b)	Non-controlling interest	-	-	-	-	-
		(7,196.03)	(10,524.00)	(17,849.52)	(36,808.69)	(46,161.19)
15	Paid-up equity share capital (Face value per share Rs. 2)	5,245.52	5,161.52	5,161.52	5,245.52	5,161.52
16	Other Equity excluding Revaluation reserve				(29,039.45)	7,781.90
17	Earnings Per Share (EPS) in Rs. (for continuing operation)					
	- Basic	(2.72)*	(4.07)*	(6.99)*	(14.15)	(18.66)
	- Diluted	(2.72)*	(4.07)*	(6.99)*	(14.15)	(18.66)
18	Earnings Per Share (EPS) in Rs. (for discontinuing operation)					
	- Basic	(0.04)*	(0.01)*	(0.02)*	(0.09)	(0.04)
	- Diluted	(0.04)*	(0.01)*	(0.02)*	(0.09)	(0.04)
19	Earnings Per Share (EPS) in Rs. (for continuing and discontinuing operation)					
	- Basic	(2.76)*	(4.08)*	(7.01)*	(14.24)	(18.70)
	- Diluted	(2.76)*	(4.08)*	(7.01)*	(14.24)	(18.70)
	*not annualised					



A

Arshiya Limited

CIN: L93000MH1981PLC024747

Registered Office: 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block,

Dr. Annie Besant Road, Worli, Mumbai- 400 018

Phone No. 022 42305500 # Email id: info@arshiyalimited.com #

website: www.arshiyalimited.com

AUDITED CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(Rs. in Lakhs)

Sr.No.	Particulars	As at 31.03.2021	As at 31.03.2020
I	ASSETS		
	Non-Current Assets		
	(a) Property, Plant and Equipment	2,22,209.88	2,42,168.67
	(b) Right of use assets	13,144.71	18,009.99
	(c) Capital Work-in-Progress	135.00	-
	(d) Goodwill on Consolidation	20.43	19.17
	(e) Intangible Assets	2,639.45	3,330.19
	(f) Intangible Assets Under Development	60.00	60.00
	(g) Financial Assets		
	(i) Loan	325.00	325.00
	(ii) Other Financial Assets	2,210.16	1,955.21
	(h) Other Non-Current Assets	2,459.35	2,724.83
		2,43,203.98	2,68,593.06
	Current assets		
	(a) Inventories	12,537.34	12,537.34
	(b) Financial Assets		
	(i) Trade Receivables	2,913.94	2,729.88
	(ii) Cash and Cash Equivalents	949.14	916.22
	(iii) Bank Balances Other than (ii) above	290.12	305.49
	(iv) Loan	-	307.97
	(v) Other Financial Assets	6,416.07	6,462.00
	(c) Other Current Assets	5,887.71	3,436.41
		28,994.32	26,695.31
	(d) Assets held for sale (Refer note no. 10)	18,845.39	15,317.13
	Total Assets	2,91,043.69	3,10,605.50
II	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share Capital	5,245.52	5,161.52
	(b) Other Equity	(29,039.45)	7,781.90
		(23,793.93)	12,943.42
	Equity Component, of 0% Optionally Convertible Redeemable Preference shares (OCRPS) issued by subsidiary held outside Group	519.09	519.09
	Liabilities		
	Non Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	88,675.74	1,10,212.35
	(ii) Lease Liabilities	10,401.83	13,930.20
	(iii) Other Financial Liabilities	893.12	125.30
	(b) Provisions	145.25	201.67
	(c) Other Non-Current Liabilities	162.25	1,277.78
		1,00,278.19	1,25,747.30
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	12,452.21	12,487.47
	(ii) Trade Payables		
	Micro and small enterprises	351.42	318.53
	Others	2,169.23	2,525.90
	(iii) Lease Liabilities	4,604.37	5,149.50
	(iv) Other Financial Liabilities	1,82,286.16	1,42,156.00
	(b) Other Current Liabilities	4,488.81	5,063.85
	(c) Provisions	20.12	25.79
		2,06,372.32	1,67,727.04
	(d) Liabilities associated with assets classified as held for sale (Refer note no. 10)	7,668.02	3,668.65
	Total Equity and Liabilities	2,91,043.69	3,10,605.50



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AUDITED CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Refer Note No. 2)	(Unaudited)	(Refer Note No. 2)	(Audited)	(Audited)
1	Segment Revenue					
	FTWZ/SEZ	3,646.35	3,626.47	3,488.85	14,278.42	14,773.21
	Rail Transport Operations/ICD	451.58	1,669.93	2,949.18	7,230.78	14,079.50
	Domestic Warehousing	118.99	137.59	142.23	554.83	595.64
	Total Revenue from Operations	4,216.92	5,433.99	6,580.26	22,064.03	29,448.35
2	Segment Results Before Tax and Interest					
	FTWZ/SEZ	435.16	485.57	622.56	2,502.59	2,223.56
	Rail Transport Operations/ICD	2,524.84	(974.48)	(1,169.80)	268.72	(5,017.48)
	Domestic Warehousing	(209.19)	(255.38)	(208.90)	(897.61)	(830.08)
	Total	2,750.81	(744.29)	(756.14)	1,873.70	(3,624.00)
	Less: Unallocated Expenses net of Income	1.16	0.72	(66.76)	3.55	(63.97)
	Less: Finance Costs	9,834.73	9,741.23	8,609.24	38,460.21	33,625.39
	Less: Exceptional Items (Net) (Refer Note no. 14)	-	-	7,497.50	-	7,810.00
	Profit/(Loss) before tax	(7,085.08)	(10,486.24)	(16,796.12)	(36,590.06)	(44,995.42)
3	Segment Assets					
	FTWZ/SEZ	1,72,911.54	1,74,400.51	1,78,898.00	1,72,911.54	1,78,898.00
	Rail Transport Operations/ICD	50,612.22	50,969.71	68,516.88	50,612.22	68,516.88
	Domestic Warehousing	46,146.51	46,590.85	47,576.98	46,146.51	47,576.98
	Unallocated	2,528.03	1,511.70	296.51	2,528.03	296.51
	Total Assets of Continuing Operations	2,72,198.30	2,73,472.77	2,95,288.37	2,72,198.30	2,95,288.37
	Assets held for sale	18,845.39	29,655.13	15,317.13	18,845.39	15,317.13
	Total Assets of Continuing and Discontinuing Operations	2,91,043.69	3,03,127.90	3,10,605.50	2,91,043.69	3,10,605.50
4	Segment Liabilities					
	FTWZ/SEZ	23,114.34	23,619.02	26,508.00	23,114.34	26,508.00
	Rail Transport Operations/ICD	4,955.09	6,066.67	7,972.45	4,955.09	7,972.45
	Domestic Warehousing	108.45	102.98	99.46	108.45	99.46
	Unallocated	2,78,472.63	2,83,868.51	2,58,894.43	2,78,472.63	2,58,894.43
	Total Liabilities of Continuing Operations	3,06,650.51	3,13,657.18	2,93,474.34	3,06,650.51	2,93,474.34
	Liabilities associated with assets classified as held for sale	7,668.02	5,713.41	3,668.65	7,668.02	3,668.65
	Total Liabilities of Continuing and Discontinuing Operations	3,14,318.53	3,19,370.59	2,97,142.99	3,14,318.53	2,97,142.99



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AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Cash flow from operating activities		
Profit/(Loss) before tax	(36,590.06)	(44,995.42)
Adjustments for:		
Bad debts	0.50	373.77
Sundry balances written off / back (net)	881.80	(64.80)
Discarding/written off of Property, plant and equipment and Intangible assets	-	26.50
Gain on disposal of Property, plant and equipment	(1,907.37)	(0.38)
Provision for doubtful debts/Expected credit loss	157.97	109.82
Settlement of claims	-	7,810.00
Gain recognised on sale of subsidiaries	-	(5.59)
Capital advances written off	-	128.25
Depreciation and amortization expense	12,082.76	14,284.97
Finance costs	38,460.21	33,625.39
Government grant income	(1,499.43)	(365.49)
Financial guarantee income	(15.00)	(15.00)
Financial assets carried at amortised cost	(234.86)	(214.67)
Gain on derecognised of Liability Component	(16.13)	-
Gain on Lease modification	(28.75)	(2.51)
Rent concession	(27.49)	-
Interest income on fixed deposits	(22.26)	(39.73)
Interest income on Loan	(45.50)	(266.82)
Interest income on tax refund	(62.82)	(246.80)
Share based payment	216.62	45.01
Foreign exchange differences (net)	117.20	(34.04)
Operating profit before working capital changes	11,467.39	10,152.46
Adjustments for :		
(Increase)/Decrease in financial and other assets	(3,462.92)	4,715.92
(Decrease)/Increase in financial and other liabilities	(1,528.04)	(7,364.70)
Cash generated from operations	6,476.43	7,503.68
Direct taxes paid (net of refunds)	344.51	644.93
Net cash flow from operating activities	6,820.94	8,148.61
Net cash flow from discontinuing operating activities	(231.40)	(76.99)
Net cash flow from operating activities - Continuing and Discontinuing Operations	(A) 6,589.54	8,071.62
Cash flow from investing activities		
Purchase of property, plant and equipment	(50.62)	(29.23)
Purchase of Capital work in progress and Intangible assets under development	(135.00)	-
Proceeds from sale of property, plant and equipment	14,947.98	0.70
Gain on sale of investment in subsidiaries	-	5.59
Capital advances	(48.00)	(10.00)
Loans given to other (net)	307.97	(307.84)
Interest income on Loan to others	-	266.82
Interest received	18.47	19.53
Net cash flow from investing activities	15,040.80	(54.43)
Net cash flow from investing activities from Discontinuing Operations	(2,279.27)	(2,886.45)
Net cash flow from investing activities - Continuing and Discontinuing Operations	(B) 12,761.53	(2,940.88)
Cash flow from financing activities		
Issue of Equity shares	34.00	-
Share issue expenses	-	(13.13)
Repayment of non-current borrowings	(5,661.39)	(11.37)
Short-term borrowings (net)	(30.37)	(36.99)
(Decrease)/Increase in other bank balances	15.37	89.05
Lease liability paid	(5,786.62)	(5,604.81)
Interest paid	(10,358.12)	(2,582.08)
Net cash flow from financing activities	(21,787.13)	(8,159.33)
Net cash flow from financing activities from Discontinuing Operations	2,197.04	3,466.85
Net cash flow from financing activities - Continuing and Discontinuing Operations	(C) (19,590.09)	(4,692.48)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(239.02)	438.26
Cash and cash equivalents as at the beginning of the year from continuing operations	916.22	990.56
Cash and cash equivalents as at the beginning of the year from discontinuing operations	512.60	-
Cash and cash equivalents from discontinuing operations	(240.66)	(512.60)
Cash and cash equivalents as at the end of the year from continuing operations	949.14	916.22



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Notes to Audited Consolidated Financial Results: -

1. The Consolidated Financial Results of Arshiya Limited ('Parent Company') and its Subsidiaries (together referred to as the 'Group') for the quarter and year ended 31st March, 2021 were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Parent Company at its meeting held on 30th June, 2021.
2. Figures of the quarter ended 31st March 2021 and 31st March, 2020 are the balancing figures between audited figures in respect of the full financial year and year to date figures up to the third quarter of the relevant financial year.
3. The Board of Directors of the Parent Company at their meeting held on 24th May, 2018, had approved a Composite Scheme of Arrangement for demerger of the Domestic Business undertaking of the Parent Company with Arshiya Rail Infrastructure Limited ("ARIL") to reorganize its corporate structure spread across group companies and in order to integrate / consolidate its operations.

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

The said Scheme has been approved by shareholders, unsecured and secured creditors of the respective companies. A Joint Petition has been admitted by Hon'ble NCLT, Mumbai on 15th June, 2021 for sanctioning of the aforesaid Scheme and the said petition is fixed for hearing before the Hon'ble NCLT, Mumbai on 8th July 2021. The Scheme shall be given effect after receipt of necessary regulatory approvals.

4. During the quarter, the Parent Company has allotted 25,00,000 equity shares to a lender upon conversion of 80,000 Zero percent Optionally Convertible Redeemable Preference Shares (OCRPS) and allotment of 17,00,000 equity shares to eligible employees under the Arshiya Limited Employee Stock Option Scheme 2019. Post allotment of aforesaid shares, the paid up capital of the Parent Company have been increased to Rs. 5,245.52 Lakh divided into equity shares 26,22,75,915 of face value of Rs. 2/- each
5. Upon signing of Restructuring Agreement with Edelweiss Assets Reconstruction Company Limited (EARC), the Group is accruing penal interest on restructured debt @ 8% p.a. based upon the balance confirmation provided by EARC till 30th September 2019 against the documented rate of 18% per annum. It has resulted in the short provision of penal interest amounting to Rs. 3,070.96 Lakh till the year ended 31st March, 2020 and for the quarter and year ended amounting to Rs.



953.51 Lakh and Rs. 3,908.25 Lakh respectively. In aggregate penal interest provisions are lower by Rs. 6,979.21 Lakh till 31st March 2021. The Group represented to EARC for revision in penal interest and the same is under discussion. The Auditors have issued a modified opinion in respect of the said matter in their audit report.

6. Two Subsidiaries have entered into agreements with a business group for providing storage space and other services. Total revenue from fixed storage of Rs. 900.06 lakhs and variable storage and other charges of Rs. 22.34 lakhs have been recognised during the year. Based on current business trend in metal sector and considering overall business conduct of the business group, management is confident to receive outstanding dues from the business group as per the payment schedule provided by them. The business group has been doing business in Panvel FTWZ since more than a decade and have cleared all their dues though there are some delays in payment. Further in the event of any default, the subsidiaries will be entitled to lien on their goods stored in FTWZ warehouses, as per terms of agreements. As on March 31, 2021 estimated value of cargo of the business group is higher than the outstanding dues to the subsidiaries. In view of aforesaid facts and further as per discussion with the business group and considering their future plans of business in our FTWZ, the management is confident that the outstanding balance of Rs. 1,116.37 lakhs as on March 31, 2021 from the business group are good and fully recoverable. The Auditors have referred to this as an emphasis of matter in their audit report.
7. Trade receivables and other financial asset includes amounts aggregating to Rs. 322.11 lakhs (March 31, 2020 - Rs. 322.11 lakhs) (including unbilled amount of Rs. 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. As a process, the subsidiary has submitted request to competent authority of SEZ to allow auction of goods in 65 containers and the valuer approved by the Customs authority has determined value of entire goods in 65 containers at Rs 580.58 lakhs. Further, during the year, the subsidiary has identified a buyer and has entered into the Memorandum of Understanding (MOU) for sales of aforesaid goods for Rs. 276 Lakhs, against which the subsidiary has received an advance of Rs. 125 Lakhs and the subsidiary is in process of completion of transactions. Subsequent to the year end, the SEZ Authority has approved the auction of the said goods. Since, the value of the goods in custody of the subsidiary is sufficient to recover it's dues including statutory levies thereon, in view of the Management of the Company the receivables from those customers are fully recoverable and



no provisions are required against those receivables. The Auditors have referred to this as an emphasis of matter in their audit report.

8. One of the Public Financial Institution (PFI) and one of the Non-Banking Financial Company (NBFC) which were lenders of Parent Company has assigned their debts to EARC. The Parent Company continues to provide normal 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. The Auditors have referred to this as an emphasis of matter in their audit report.
9. The focussed emphasis of the Government on logistics infrastructure sector is a big boon for the Group's business plan. The recent amendments in the SEZ policy, allowing manufacturing within the FTWZs will enhance the scope of activities carried out by FTWZ exponentially and will improve the Group's ability to expand the client base multi-fold. This will enable the Group to offer additional value propositions to its clients and increase its business to a great extent, including 'Contract Manufacturing' in line with Global Free Zones. The management's plans as a developer of the business indicate that monetization will happen periodically and staggered, but significant payments will be received to streamline the cash flows.

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

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

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

Further Government's focus on development of logistic infrastructure for future growth in economy has resulted in recognising as "Infrastructure" a sub-sector as "Transport and Logistics" from the earlier sub-sector of "Transport". According to



the Government notification, logistics infrastructure includes "Multimodal Logistics Park comprising Inland Container Depot (ICD)".

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

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

Accordingly, the financial results of the Parent Company and a subsidiary have been prepared on going concern basis.

10. The Parent Company has entered into conditional Share Purchase Agreements with Ascendas Property Fund (India) Pte. Ltd. ("APFI") for sale of entire equity shares of Anomalous Infra Private Limited ("AIPL") and Arshiya Northern Projects Private Limited ("ANPPL") to APFI, upon fulfilment of certain conditions precedent and is subject to various approvals. Hence, assets and liabilities in AIPL and ANPPL has been considered as "Assets and Liabilities held for sale and Discontinued Operations".
11. During the quarter and year ended 31st March 2021, certain movable assets of one of the subsidiary namely Arshiya Rail infrastructure Limited (ARIL) has been sold for a net sale consideration of Rs 14,756.57 Lakhs through the auction process and lenders have appropriated the said sale proceeds against their dues. Further the subsidiary has sold few other movable assets for a consideration of Rs. 150.30 Lakhs and other non-usable assets have been discarded. Net gain of Rs. 1,907.20 Lakhs on such sale and discarding of movable assets have been accounted as other income.
12. A lender of ANFL and ARIL has filed petition against respective companies for recovery of dues at NCLT under Insolvency and Bankruptcy Code, 2016. The lender of ANFL has also called upon the Parent Company as corporate guarantor to the said loan. The matter is pending at pre-admission stage.
13. A subsidiary had entered into One-Time Settlement (OTS) with a Bank during the financial year ended 31st March 2019 and the effect was taken as an exceptional item during the quarter ended 30th September, 2018. However, the subsidiary



has defaulted in payment as per the terms of the OTS. As a result, the subsidiary needs to reverse the exceptional gain recorded during the quarter ended 30th September, 2018 and needs to recognise interest on the entire liability as per the original terms. The subsidiary is in discussion with the lender for additional time to repay.

The subsidiary has not reversed the gain, nor provided for additional interest. Had the subsidiary reversed the gain and provided for additional interest, exceptional item would have been lower by Rs. 6,604.55 Lakh and finance cost would have been higher by Rs. 9,012.15 Lakh having consequential impact on total comprehensive income for the year ended 31st March 2021. The Auditors have issued a qualified opinion in their audit report.

14. The exceptional items during the year ended 31st March 2020 represent, loss on account of settlement for various claims amounting to Rs. 7,810.00 Lakh.
15. As per Ind AS 108 "Operating Segment" the Group has identified and reported segment information in two segments as under:
 - (i) Developing and Operating Free Trade & Warehousing Zone (FTWZ) and Special Economic Zone (SEZ)
 - (ii) Domestic Warehousing
 - (iii) Rail Transport Operation and Inland Container Depot (ICD)

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

16. 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.
17. The Group has sent email to all its lenders for independent confirmation of their outstanding as on 31st March 2021 aggregating Rs. 2,38,252.45 Lakh with a request to confirm their balances directly to our statutory auditors. Out of these, the Group has received statements / confirmations amounting to Rs. 1,86,701.70 Lakh which have been provided to statutory auditors. The Group is confident that there will not be significant changes in its liabilities. The Auditors have referred to this as an emphasis of matter in their audit report.



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

For and on behalf of Board of Directors of Arshiya Limited



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

Place: Mumbai

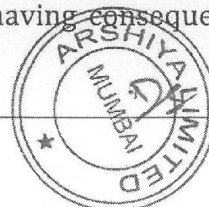
Date: 30th June, 2021



ARSHIYA LIMITED



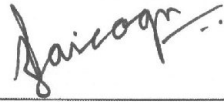
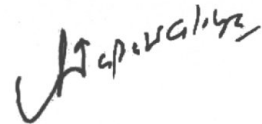
**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted
along-with Annual Audited Financial Results - (Consolidated)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
(Rs. in Lakhs)				
I.	Sl. No.	Particulars	Audited Figures as of Mar-2021 (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	27,453.14	27,453.14
	2.	Total Expenditure (net of exceptional item)	(64,043.20)	(70,987.65)
	3.	Net Profit/(Loss) after Tax	(36,823.14)	(43,767.59)
	4.	Earnings Per Share (in Rupees per share)	(14.24)	(16.92)
	5.	Total Assets	2,91,043.69	2,91,043.69
	6.	Total Liabilities	3,14,837.62	3,37,433.53
	7.	Net Worth	(23,793.93)	(46,389.84)
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
1.	a. Details of Audit Qualification			
	<p>As mentioned in the Note No. 5 to the statement, the Group has provided penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%. Interest provisions in earlier period / years were accounted based on the confirmations received from EARC. It has resulted in the short provision of interest amounting to Rs. 3,070.96 Lakh till the year ended 31st March 2020 and for the quarter and year ended 31st March 2021 amounting to Rs. 953.51 Lakh and Rs. 3,908.25 Lakh, respectively, which is not in compliance with Ind AS-23 "Borrowing Cost" read with Ind AS-109 "Financial Instruments". In aggregate interest provisions are lower by Rs. 6,979.21 Lakh till 31st March 2021. Had interest been recognised at its documented rate, finance cost for the quarter and year ended 31st March 2021 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.</p>			



	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion
	c. Frequency of qualification: Whether appeared first-time / repetitive / since how long continuing
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The management of the Group has clarified that representations have been made to EARC seeking revision in rate of penal interest and the same is under process.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: NA
	(ii) If management is unable to estimate the impact, reasons for the same: NA
	(iii) Auditors' Comments on (i) or (ii) above: NA
2.	Audit Qualification (each audit qualification separately):
	b. Details of Audit Qualification As mentioned in Note No. 13 of the statement, a subsidiary company failed to make payment as prescribed as per one-time settlement with lender. As a result, event of default has occurred and the entire debt prior to date of settlement become payable along with interest. The subsidiary has not reversed the gain recorded in earlier year and not provided for additional interest till 31 st March 2020 Rs. 5,975.95 Lakh and for the quarter and year ended 31 st March, 2021 Rs. 803.40 Lakh and Rs. 3,036.20 Lakh, respectively, aggregating to Rs. 9,012.15 Lakh till 31 st March, 2020. Had the subsidiary Company reversed the gain recorded in earlier year and provided for additional interest, exceptional item would have been lower by Rs. 6604.55 Lakh and finance cost would have been higher by Rs.9,012.15 Lakh by equivalent amount as mentioned above, having consequential impact on total comprehensive income and other equity.
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion
	c. Frequency of qualification: Whether appeared first-time / repetitive / since how long continuing - From Three (3) years
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The management of the subsidiary Company is in discussion with the lender to grant additional time to repay the same.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(iv) Management's estimation on the impact of audit qualification: NA
	(v) If management is unable to estimate the impact, reasons for the same: NA
	(vi) Auditors' Comments on (i) or (ii) above: NA



III.	Signatories:	
	Ajay S Mittal Chairman & Managing Director DIN: 00226355	
	Dinesh Sodani CFO	
	Ashishkumar Bairagra Audit Committee Chairman	
	Statutory Auditor Chaturvedi & Shah LLP Registration No. 101720W/W100355 Vijay Napawaliya Partner Membership No.: 109859	
Place: Mumbai		
Date: 30 th June, 2021		

