

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020**

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

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

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

Based on our verifications of the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2020 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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable during the audit period);
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the audit period)

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

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

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

1. *As per the provisions of Rule 12(2) of The Companies (Prospectus and allotment of Securities) Rules, 2014, list of allottees shall be certified by the signatory of the Form PAS-3, however 2 Form PAS-3 filed by the Company for conversion of outstanding amount in Equity Shares/Other Securities has been signed by Mr. Ajay Mittal and List of Allottees has been signed by Ms. Savita Kodain.*

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. Mr. Dinesh Kumar Sodani has been appointed as Chief Financial Officer of the Company w.e.f. 09th August, 2019.
2. The Company at its Board Meeting held on 04th September, 2019 has allotted following securities
 - 2.1 4,55,772 Compulsory Convertible Debentures at 1000/- each against conversion of outstanding due of creditors;
 - 2.2 80,000 Zero Percent Optionally Convertible Redeemable Preference Shares 2019 – Series – 1 at 1000/- each against conversion of outstanding due of creditors;
 - 2.3 24,30,373 (Twenty-Four Lakhs Thirty Thousand Three Hundred and Seventy-Three) equity shares of face value of Rs.2/- each upon conversion of 77,772 (Seventy-Seven Thousand Seven Hundred and Seventy-Two) Compulsory Convertible Debentures (CCD's) of face value of Rs. 1000/- each amounting to Rs.7,77,72,000, out of total 4,55,772 CCDs issued and allotted in para2.1 above
3. The Company at its Board Meeting held on 12th November, 2019 approved investment of Rs. 25,00,00,000 (Rupees Twenty Five Crores Only) in the equity shares of Arshiya Transport and Handling Limited.
4. The Company has allotted 2,18,750 Equity Shares of face value of Rs. 2/- each at a price of Rs. 32/- per share (which includes premium of Rs. 30/-) aggregating to Rs. 70,00,000/- (Rupees Seventy Lacs Only) in terms of the settlement of the outstanding dues with Ms.Ishalaxmi Narayan in the Board Meeting held on 07th December, 2019.
5. The Company has allotted 1,18,12,500 (One Crore Eighteen Lakhs Twelve Thousand Five Hundred Only) equity shares of face value of Rs.2/- upon conversion of 3,78,000 (Three Lakhs Seventy-Eight Thousand) Compulsory Convertible Debentures (CCD's) to Larsen and Toubro Ltd. & Rahul Fire Protection Services LLP in the Board Meeting held on 30th January, 2020.
6. Mrs. Manjari Kacker (DIN: 06945359) has been appointed as Additional Director of the Company w.e.f. 30th January, 2020.



7. The Company had filed a Scheme of arrangement in National Company Law Tribunal at Mumbai Bench (Hon'ble Tribunal) pursuant to Sections 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 and read with the allied rules made thereunder for Demerger of "Domestic Business Undertaking" of **Arshiya Limited** (Demerged Company) and vesting of the same into **Arshiya Rail Infrastructure Limited (Resulting Company)** on 31st July, 2019.

Wherein Hon'ble Tribunal on 09th December, 2019 has given order for meeting of shareholders and creditors of Demerged and Resulting Company on 13th January, 2020 (meeting of Equity Shareholders of both Demerged and Resulting Company) and 14th January, 2020 (meeting of secured and unsecured creditors of both Demerged and Resulting Company). However meeting of Secured Creditors of both Demerged and Resulting Company has been postponed on the request of Secured Creditors. The Company has filed Miscellaneous Application before the Hon'ble Tribunal for direction of rescheduling the Secured and Unsecured Creditors Meeting wherein the final direction is awaited.

Note:

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

Place: Mumbai
Date: 17th July, 2020



For Aabid & Co
Company Secretaries

Mohammed Aabid
Partner
Membership No.: F6579
COP No.: 6625
UDIN: F006579B000465785

ANNEXURE-I

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

