CHATURVEDI & SHAH LLP
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of
Arshiya Rail Infrastructure Limited

Report on the Audit of Financial Statements

Qualified Opinion

We have audited the accompanying Financial Statements of **Arshiya Rail Infrastructure Limited ('the Company')**, which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the financial position of the Company as at 31st March 2020, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

As mentioned in the Note No. 58 to the financial 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 years were accounted based on the confirmations received from EARC. It has resulted in the short provision of interest amounting to Rs. 157.60 Lakh till the year ended 31st March 2019 and for year ended 31st March 2020 amounting to Rs. 524.31 Lakh, 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. 681.91 Lakh till 31st March 2020. Had interest been recognised at its documented rate, finance cost for the year ended 31st March 2020 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.

As mentioned in Note No. 51 of the financial statement, 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 company has not reversed the gain recorded in earlier year and not provided for additional interest till 31st March 2019 Rs. 3,500.76 Lakh and for the year ended 31st March, 2020 Rs. 2,475.19 Lakh, aggregating to Rs. 5975.95 Lakh till 31st March , 2020. Had the Company reversed the gain recorded in earlier year and provided for additional interest, exceptional item would have been lower by Rs. 6604.55 Lakh and finance cost would have been higher by Rs. 5975.95 Lakh by equivalent amount as mentioned above, having consequential impact on total comprehensive income and other equity.

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

Emphasis of Matter

As at 31St March, 2020 balance confirmations from 1 of the lenders with respect to borrowings including interest accrued thereon aggregating to Rs. 3,154.15 Lakh and capital advances amounting to Rs. 953.64 Lakh have not been received.

Material Uncertainty Related to Going Concern

We draw attention to the Note no. 49 of the financial statement, which indicate that the Company is unable to pay it's dues to operational and financial creditors, the Company has defaulted in repayment of dues to lenders and started recovery proceeding, some of the lenders have even called back their loans, lenders has applied before NCLT under Insolvency and Bankruptcy Code, 2016 for company and the company have accumulated losses as at 31st March, 2020 is resulting in negative net worth. These matters including other matters as set out in the notes indicate that a material uncertainty exists that may cast significant doubt about company's ability to continue as a going concern. Arshiya Limited, the parent company, has given support letter to extend, for the foreseeable future, any financial support which may be required by the Company. Further, in view of various steps taken by the management, future outlook as assessed by the management and business plans and in lieu of the support letter from the parent company the management has assessed the Company continues to be going concern. The said assumption of going concern is dependent upon company's plans and generates cash flows to meet its obligations. Our opinion is not modified in respect of the said matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the annual report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

That Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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Continuation sheet...

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. Further to our comment in the Annexure A, as required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. *Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above*, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

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d. *Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above*, in our opinion, the aforesaid financial statements comply with Ind AS prescribed under Section 133 of the Act read with relevant rules there under;

e. On the basis of the written representations received from the directors of the Company as on 31st March, 2020 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

f. The matters described in the paragraphs above "Material Uncertainty Related to Going Concern", in our opinion, may have an adverse effect on the functioning of the Company;

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

h. The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

i. In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 of the act is not applicable to the company since no managerial remuneration is paid / provided.

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

    i. The Company, as detailed in Note no. 38 (ii) (e and f) and 39 to the financial statements has disclosed the impact of pending litigations on its financial position.

    ii. The Company does not have any long term contracts including derivative contracts and hence there are no material foreseeable losses.

    iii. There is no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

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

Napawaliya

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 20109859AAAACV7146

Place: Mumbai
Date: 27/06/2020

"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Rail Infrastructure Limited on the financial statements for the year ended 31st March 2020)

(i) In respect of fixed assets:-

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) As explained to us, the Company has physically verified fixed assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.

(c) In our opinion and according to information and explanation given to us and on the basis of our examination of available records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of its inventories:-
The Company does not have any inventory at year end. Therefore, the provisions of paragraph 3 (ii) of the Order are not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provision of paragraph 3 (iii) of the Order are not applicable to the Company.

(iv) In our opinion and according to information and explanation given to us, the company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of providing guarantees. The company has not given any loan, made investment and securities.

(v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified. During the year, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

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

(vii) (a) According to the records of the company and information and explanations given to us, the Company has generally been regular except slight delays in few cases, in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, duty of excise, goods and service tax, cess and any other statutory dues to the appropriate authorities as applicable during the year.

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Continuation sheet...

According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable except Tax deducted at Source and Service Tax amounting to Rs. 493.39 Lakh and Rs. 610.48 Lakh, respectively and interest on tax deducted at source and interest on service tax amounting to Rs. 510.20 Lakh and Rs. 501.03 Lakh, respectively.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and goods and service tax, which have not been deposited on account of any dispute except as mentioned below:-

(Rs. In Lakh)

Name of the Statute	**Nature of Dues**	**Amount Disputed (net of amount deposited)***	**Period to which Dispute Relates**	**Forum where Dispute is Pending**
The Finance Act, 1994	Service tax	20.58	FY 2011-2012 and 2012-2013	Commissioner of Service Tax (Appeal 1)
	Penalty on Service tax	25.82	FY 2011-2012 and 2012-2013	Commissioner of Service Tax (Appeal 1)
	Total	**46.40**		

*net of Rs. 5.14 Lakh paid under protest.

(viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at balance sheet date except as mentioned below. There are no dues to debenture holders and government as at the balance sheet date.

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Defaults in respect of bank and financial institutions are as under:-

(Rs. In Lakh)

Particulars	Amount of continuing default as on 31st March, 2020		Period of Default
	Principal	Interest	
Edelweiss Asset Reconstruction Company Limited- through Various trust	-	1,904.72	Financial Year 2017-2018
	-	4,070.92	Financial Year 2018-2019
	3,630.33	12,919.83	Financial Year 2019-2020
Edelweiss Asset Reconstruction Company Limited - Rupee term loan	2,960.00	390.64	Financial Year 2018-2019
		725.03	Financial Year 2019-2020
Edelweiss Asset Reconstruction Company Limited - Short Term Priority Loan	3,000.00	630.04	Financial Year 2018-2019
		774.24	Financial Year 2019-2020
Corporation Bank	-	676.15	Financial Year 2013-2014
	142.50	616.80	Financial Year 2014-2015
	2,586.46	725.71	Financial Year 2015-2016
	-	901.75	Financial Year 2016-2017
	-	1,059.67	Financial Year 2017-2018
	-	1,303.57	Financial Year 2018-2019
	-	1,459.54	Financial Year 2019-2020
Bank of India	2,840.00	188.64	Financial Year 2018-2019
		296.78	Financial Year 2019-2020
Karur Vysya Bank Limited	22.50	-	Financial Year 2012-2013
	75.00	288.90	Financial Year 2013-2014
	1,35.00	259.72	Financial Year 2014-2015
	1,109.14	310.23	Financial Year 2015-2016
	-	385.48	Financial Year 2016-2017
	-	452.98	Financial Year 2017-2018
	-	1,120.39	Financial Year 2018-2019
	-	730.71	Financial Year 2019-2020
Total	**16,500.93**	**32,192.44**	

(ix) According to the information and explanations given to us, the Company did not raise any moneys by way of initial public offer, further public offer (including debt instruments) and no term loans was raised during the year. Therefore, the provision of clause 3(ix) of the Order are not applicable to the company.

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

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

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

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

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

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

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

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 20109859AAAACV7146

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 27/06/2020

"Annexure B" to the Independent Auditor's Report

Referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Rail Infrastructure Limited on the financial statements for the year ended 31st March 2020.

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

We have audited the internal financial controls over financial reporting of Arshiya Rail Infrastructure Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management, directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on the audit of test of controls, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 20109859AAAACV7146

Place: Mumbai
Date: 27/06/2020

ARSHIYA RAIL INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT MARCH 31, 2020

(Rupees in lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	5 A	1,02,304.94	1,08,273.40	1,13,926.85
(b) Right of use assets	5 B	568.90	-	-
(c) Intangible Assets	6	2,474.49	2,825.28	3,223.16
(d) Financial Assets				
(i) Other Financial Assets	7	649.91	1,073.54	1,323.71
(e) Other Non-Current Assets	8	1,321.25	1,451.86	1,244.76
		1,07,319.49	**1,13,624.08**	**1,19,718.48**
Current assets				
(a) Inventories	9	-	-	15.66
(b) Financial Assets				
(i) Trade Receivables	10	1,032.41	1,350.41	687.74
(ii) Cash and Cash Equivalents	11	76.63	128.66	380.24
(iii) Loans	12	307.97	-	-
(iv) Bank Balances Other than (ii) above	13	289.34	379.38	498.50
(v) Other Financial Assets	14	500.38	1,984.08	2,041.78
(c) Other Current Assets	15	1,035.80	1,166.21	1,384.80
		3,242.53	**5,008.74**	**5,008.72**
TOTAL ASSETS		**1,10,562.02**	**1,18,632.82**	**1,24,727.20**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	16	4,238.44	4,238.44	4,238.44
(b) Share capital suspense account	16	1,728.72	1,728.72	1,728.72
(c) Other Equity	17	(24,997.01)	(5,983.29)	4,589.86
		(19,029.85)	**(16.13)**	**10,557.02**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	47,431.25	57,371.54	61,745.30
(ii) Lease Liabilities	19	254.64	-	-
(iii) Other Financial Liabilities	20	35.51	74.50	-
(b) Provisions	21	81.43	117.09	18.91
(c) Other Non-Current Liabilities	22	1,266.83	1,632.32	1,723.69
		49,069.66	**59,195.45**	**63,487.90**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	18,191.30	19,566.19	19,505.53
(ii) Trade Payables	24			
(A) Total outstanding dues of Micro and Small Enterprises		44.20	23.73	10.59
(B)Total outstanding dues of creditors Other than Micro and Small Enterprises		1,421.09	1,486.98	804.07
(iii) Lease Liabilities	25	363.94	-	-
(iv) Other Financial Liabilities	26	57,705.43	35,906.80	27,988.92
(b) Other Current Liabilities	27	2,783.73	2,458.58	2,369.00
(c) Provisions	28	12.52	11.22	4.17
		80,522.21	**59,453.50**	**50,682.28**
TOTAL EQUITY & LIABILITIES		**1,10,562.02**	**1,18,632.82**	**1,24,727.20**

Notes to the financial statements 1-61

As per our Report of even date

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

For and on behalf of Board of Directors of
Arshiya Rail Infrastructure Limited

Vijay Napawaliya
Partner
Membership Number. 109859

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

Avani Dipakkumar Lakhani
Company Secretary

Place : Mumbai
Date: June 27, 2020

ARSHIYA RAIL INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rupees in lakhs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
INCOME			
Revenue from operations	29	14,548.08	14,057.50
Other income	30	582.63	906.68
Total Income (I)		**15,130.71**	**14,964.18**
EXPENSES			
Cost of operations	31	11,791.31	11,446.13
Employee benefits expenses	32	1,381.50	1,425.71
Finance costs	33	13,127.78	11,208.03
Depreciation and amortization expenses	34	6,627.60	6,325.19
Other expenses	35	1,238.98	1,561.32
Total Expenses (II)		**34,167.17**	**31,966.38**
Loss before exceptional items and tax (I-II)		(19,036.46)	(17,002.20)
Exceptional Items (Net)	36	-	(6,395.14)
Loss before tax		(19,036.46)	(10,607.06)
Tax expense:	48		
Current tax		-	-
Deferred tax		-	-
Loss for the year		(19,036.46)	(10,607.06)
OTHER COMPREHENSIVE INCOME (OCI)			
Item not to be reclassified to profit and loss :			
Remeasurement of gains/ (losses) on defined benefit plans	41	22.74	(26.09)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(19,013.72)	(10,633.15)
Earnings per Equity shares (Face Value Rupees 10 each)	37		
Basic/ Diluted earnings per share (In Rupees)		(31.90)	(17.78)

Notes to the financial statements 1-61

As per our Report of even date

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

Vijay Napawaliya

Vijay Napawaliya
Partner
Membership Number. 109859

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors of
Arshiya Rail Infrastructure Limited

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary

Navnit Choudhary
Director
DIN : 00613576

Avani

Avani Dipakkumar Lakhani
Company Secretary

Place : Mumbai
Date: June 27, 2020

Arshiya Rail Infrastructure Limited ★ Mumbai

ARSHIYA RAIL INFRASTRUCTURE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A Equity Share Capital (Refer Note 16)

(Rupees in lakhs)

Particulars	Amount
Equity Shares of Rupees 10 each issued, subscribed and paid up	
As at April 1, 2018	
Equity Shares	4,238.44
Issue of equity share during the year	-
As at March 31, 2019	**4,238.44**
Equity Shares	4,238.44
Issue of equity share during the year	-
As at March 31, 2020	**4,238.44**

B Share Capital Suspense Account (Refer Note 16)

(Rupees in lakhs)

Particulars	Amount
Share Suspense Account	1,728.72
As at March 31, 2020	**1,728.72**

C Other Equity (Refer Note 17)

(Rupees in lakhs)

Particulars	Reserve & Surplus		Equity Component of Guarantee given by Parent Company	Equity Component of loan from Parent Company	Equity Component of Zero% Optionally Convertible Preference shares (OCRPS)	Total
	Securities Premium Account	Retained Earnings				
As at April 1, 2018	**87,898.46**	**(86,982.40)**	**2,649.73**	**504.98**	**519.09**	**4,589.86**
Loss for the year	-	(10,607.06)	-	-		(10,607.06)
Other comprehensive income	-	(26.09)	-	-		(26.09)
Total comprehensive income for the year	-	**(10,633.15)**	-	-		**(10,633.15)**
Fair valuation of financial guarantees given	-	-	60.00	-		60.00
As at March 31, 2019	**87,898.46**	**(97,615.55)**	**2,709.73**	**504.98**	**519.09**	**(5,983.29)**
Loss for the year	-	(19,036.46)	-	-		(19,036.46)
Other comprehensive income	-	22.74	-	-		22.74
Total comprehensive income for the year	-	**(19,013.72)**	-	-		**(19,013.72)**
As at March 31, 2020	**87,898.46**	**(1,16,629.27)**	**2,709.73**	**504.98**	**519.09**	**(24,997.01)**

Notes to the financial statements 1-61
As per our Report of even date

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

For and on behalf of Board of Directors of Arshiya Rail Infrastructure Limited

Vijay Napawaliya
Partner
Membership Number. 109859

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

Place : Mumbai
Date: June 27, 2020

Avani Dipakkumar Lakhani
Company Secretary

ARSHIYA RAIL INFRASTRUCTURE LIMITED
Cash Flow Statement for the year ended March 31, 2020

(Rupees in lakhs)

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) for the year before tax		**(19,036.46)**	**(10,607.06)**
Adjustments for :			
Depreciation and amortization expenses		6,627.60	6,325.19
Interest Income		(19.43)	(28.41)
Interest on loan to others		(68.41)	-
Provision for Doubtful debts/ ECL		16.11	24.71
Sundry Balances Written Back (net)		(27.30)	(502.70)
Finance Expense		13,127.78	11,208.03
Interest on Income Tax refund		(53.02)	-
Settlement of Claims		-	(6,395.14)
Share based Payment		21.86	-
Fair value of financial instruments		(6.21)	(5.76)
Government grant – income		(365.49)	(365.49)
Financial Guarantee Income		-	(3.85)
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES		**217.03**	**(350.48)**
Adjustments for			
Trade & other payables		(128.53)	402.37
Inventories		-	15.66
Trade & other receivables		451.51	(529.51)
CASH GENERATED FROM OPERATIONS		**540.01**	**(461.96)**
Direct Tax (Paid)/ Refunds		190.67	(153.64)
NET CASH FLOW FROM OPERATING ACTIVITIES	**Total (A)**	**730.68**	**(615.60)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(3.21)	(261.37)
(Increase)/ decrease in other bank balances		66.65	99.57
Proceeds from Sale of Property, Plant and Equipment		-	0.47
Loans given to other (Net)		(307.97)	-
Interest Income on Fixed Deposits		42.81	41.13
Interest Income on loans to others		68.41	-
NET CASH FLOW FROM INVESTING ACTIVITIES	**Total (B)**	**(133.31)**	**(120.20)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings - Non current		-	2,960.00
Repayment of borrowings - Non current		-	(1,060.00)
Payment of Lease Liability		(352.01)	-
Borrowing - current (Net)		(297.39)	(1,063.85)
Interest paid on borrowings		-	(351.93)
NET CASH FLOW FROM FINANCING ACTIVITIES	**Total (C)**	**(649.40)**	**484.22**
Net Increase/(Decrease) in cash and cash equivalents	**(A+B+C)**	(52.03)	(251.58)
Cash and cash equivalents at the beginning of the year		128.66	380.24
Cash and Cash Equivalents at the end of the year (Refer Note no. 11)		**76.63**	**128.66**

*Note:- Changes in liabilities arising from financing activities :

Particulars	March 31, 2019	Cash flow	INDAS impact	Other non cash adjustment	March 31, 2020
Long term borrowing (Refer Note no. 18 & 26)	70,872.46	(0.00)	233.65	-	71,106.11
Short term borrowing (Refer Note no. 23)	19,566.19	(297.39)	-	(1,077.50)	18,191.30

Notes to the financial statements 1-61
As per our Report of even date

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

Napawaliya

Vijay Napawaliya
Partner
Membership Number. 109859

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

Place : Mumbai
Date: June 27, 2020

For and on behalf of Board of Directors of
Arshiya Rail Infrastructure Limited

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

Avani

Avani Dipakkumar Lakhani
Company Secretary

Arshiya Rail Infrastructure Limited * Mumbai

ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1 CORPORATE INFORMATION:

Arshiya Rail Infrastructure Limited (CIN : U93000MH2008PLC180907) is a public company domiciled in India and is incorporated on April 7, 2008 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

Arshiya Rail Infrastructure Limited (ARIL) is a subsidiary of Arshiya Limited (AL). AL is listed on Bombay Stock Exchange and National Stock Exchange. In April 2008, AL acquired a Category-I license to operate a pan-India rail logistic service, giving rise to ARIL. ARIL is a specialized entity of AL, offering unprecedented rail infrastructure, including private modern rakes, customized containers, Private Freight Terminal (PFT), pan-India network and superior connectivity. The company is engaged in Private Container Train Operator (PCTO) business and is holding Category-I license which allows the company to operate on Indian Rail network on pan India basis both Domestic and Exim Traffic. ARIL's unique offering provide unparalleled efficiencies with capability of large scale evacuation of cargo from Ports, Domestic Distriparks, Free Trade and Warehousing Zones , Inland Container Depot (ICD) and customer Sidings. The Company is engaged in providing facility of warehousing including temperature controlled storage and other cargo/ logistics related activities through Inland Container Depot (ICD).

The financial statements of the Company for the year ended 31st March, 2019 were approved and adopted by board of directors in their meeting held on 27th June 2020.

2 BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) by the Ministry of Corporate Affairs ("MCA") pursuant to the Section 133 of the Companies Act, 2013 ("the Act") read with of the Companies (Indian Accounting Standards) Rules 2015, (as amended) and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost convention, except for certain financial assets and liabilities, which are measured at fair value/ amortised cost.

The financial statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

3 SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENT:

3.1 Property, Plant and Equipment:

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.

Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Depreciation on property, plant and equipment which are added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated and under the previous GAAP land was revalued.

The asset's residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Leasehold Improvements are depreciated over the period of lease.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

The Company has opted to continue with the carrying values of all of its property, plant and equipment as recognised in the Indian GAAP financial statements as deemed cost at the transition date i.e. April 1, 2016.

3.2 Intangible Assets :

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Railways License fees is amortised over a period of twenty years being the license period as per agreement.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of five years. The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Company has opted to continue with the carrying values of all of its intangible assets as recognised in the Indian GAAP financial statements as deemed cost at the transition date i.e. April 1, 2016.

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3.3 Leases:

The Company has applied IND AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IND AS 17.

The Company assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases). For these short term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using its incremental borrowing rate as the discount rate.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

ROU assets and Lease liability have been separately presented in the Balance Sheet note 5b, 19 & 25 respectively and lease payments have been classified as financing cash flows.

3.4 Inventories:

Inventories are valued at the lower of cost and net realizable value. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the First in first out basis.

3.5 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.6 Impairment of assets:

An asset is considered as impaired when at the date of Balance Sheet, there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the statement of profit and loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

3.7 Financial instruments – initial recognition, subsequent measurement and impairment:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I) Financial assets -Initial recognition and measurement:

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

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Financial assets - Subsequent measurement:
For the purpose of subsequent measurement, financial assets are classified in two broad categories:-
a) Financial assets at fair value
b) Financial assets at amortised cost
Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured **at amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

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

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

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

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

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

All other financial asset is measured at fair value through profit or loss.

Financial assets - Equity Investment in subsidiaries
The Company has accounted for its equity investment in subsidiaries at cost.

Financial assets - Derecognition
A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

a) The rights to receive cash flows from the asset have expired, or
b) The Company has transferred its rights to receive cash flow from the asset.

II) Financial liabilities - Initial recognition and measurement:
The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities - Subsequent measurement:
Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are approximate at their fair value due to the short maturity of these instruments.

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

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

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Arshiya Rail Infrastructure Limited * Mumbai

Compound Instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

3.8 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.9 Revenue recognition

Revenue is recognized upon transfer of control of goods (equipment) or rendering of services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

Income from services is recognized upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognized pro-rata over the contractual period.
Revenue is measured based on the transaction price, which is the consideration, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Amounts billed for services in accordance with contractual terms but where revenue is not recognized, have been classified as unearned revenue and disclosed under current liabilities

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned revenue ("contract liability") is recognized when there is billing in excess of revenues.
Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.
Revenue from valued optimisation services and other activities is recognised when related services are performed as per the contractual terms.

(a) Rail Transport Operations

(i) Revenue fron sale of services e.g rail freight income recognised as per the terms of contracts with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. For Fixed-price contract, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to provided (Percentage of completion method)

(ii) Measement of revenue : Estimates of revenues, cost or extent of progress toward completion are revised if circumstances change.Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(iii) Revenue from handling and other ancillary services is recognised at the time of rendering of service which is at the time of loading/unloading of container/cargo.

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Arshiya Rail Infrastructure Limited * Mumbai

(b) Inland Container Depot (ICD)

(i) Revenue from Container handling, storage and Rail & Road transportation are recognised on proportionate completion of the movement and delivery of goods to the party/ designated place.

(ii) Revenue from Ground rent is recognised for the period the container is lying in the ICD area.

(c) Domestic Warehousing

Revenue from allotment of warehousing space and open yard area for use is accounted on accrual basis as per agreed terms of contract.

(d) Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(e) Dividend Income:

Dividend Income is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

3.10 Foreign currency reinstatement and translation:

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates as on balance sheet date and the resulting exchange difference recognised in statement of profit and loss. Differences arising on settlement of monetary items are also recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

3.11 Employee Benefits:

Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered.

(a) **Defined Contribution Plan**

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

(b) **Defined Benefit Plan**

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

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Arshiya Rail Infrastructure Limited * Mumbai

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

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

3.12 Taxes on Income:

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

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

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

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

3.13 Borrowing Costs:

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

3.14 Earnings per share:

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.15 Business Combination

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

Business Combinations arising from transfer of interests in entities that are under common control, are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

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3.16 Current and non-current classification:

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

a) Expected to be settled in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

3.17 Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy.

3.18 Off-setting financial Instrument:

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

3.19 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

3.20 Segment Reporting - Identification of Segments

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

3.21 Contributed Equity

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

3.22 Cash flow statement

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

3.23 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.1 Global Health Pendamic : COVID - 19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In assessing the recoverability of Company's assets such as financial asset and non-financial assets, the Company has considered internal and external information. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements and the Company expects to recover the carrying amount of all the assets.

4.2 Property, plant and equipment and Intangible Assets:

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

4.3 Income Tax:

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

4.4 Contingencies:

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

4.5 Impairment of financial assets:

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

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4.6 Impairment of non-financial assets:

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

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

4.7 Defined benefits plans:

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

4.8 Recoverability of trade receivable:

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

4.9 Provisions:

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

4.10 Fair value measurement of financial instruments :

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

5 A **PROPERTY, PLANT AND EQUIPMENT**

(Rupees in lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Computer	Railway Terminals	Leasehold Improvements	Total
Gross Carrying Value									
As at April 1, 2018	35,811.26	44,133.37	31,314.80	383.04	52.46	108.06	14,333.54	-	1,26,136.53
Additions	-	-	43.72	13.71	-	0.72	55.03	161.15	274.33
Disposals	-	-	-	-	(8.33)	-	-	-	(8.33)
As at March 31, 2019	35,811.26	44,133.37	31,358.52	396.75	44.13	108.78	14,388.57	161.15	1,26,402.53
Additions	-	-	2.84	-	-	0.37	-	-	3.21
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2020	35,811.26	44,133.37	31,361.36	396.75	44.13	109.15	14,388.57	161.15	1,26,405.74
Accumulated Depreciation									
As at April 1, 2018	-	3,306.01	6,390.79	109.04	18.78	73.31	2,311.75	-	12,209.68
Depreciation for the year	-	1,597.18	3,082.09	56.39	6.08	21.59	1,159.97	4.01	5,927.31
Deductions	-	-	-	-	(7.86)	-	-	-	(7.86)
As at March 31, 2019	-	4,903.19	9,472.88	165.43	17.00	94.90	3,471.72	4.01	18,129.13
Depreciation for the year	-	1,601.58	3,090.76	56.37	6.07	0.30	1,165.35	51.24	5,971.67
Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	6,504.77	12,563.64	221.80	23.07	95.20	4,637.07	55.25	24,100.80
Net Carrying value as at March 31, 2020	35,811.26	37,628.60	18,797.72	174.95	21.06	13.95	9,751.50	105.90	1,02,304.94
Net Carrying value as at March 31, 2019	35,811.26	39,230.18	21,885.64	231.32	27.13	13.88	10,916.85	157.14	1,08,273.40
Net Carrying value as at April 1, 2018	35,811.26	40,827.36	24,924.01	274.00	33.68	34.75	12,021.79	-	1,13,926.85

Note:- In accordance with the Indian Accounting Standard (IND AS -36) on " Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss of property, plant and equipment during the year ended March 31, 2020.

5 B **RIGHT TO USE ASSET**

(Rupees in lakhs)

Particulars	Total
Gross Carrying Value	
As at April 1, 2019	-
Recognised on implementation of IND AS 116 as at April 1, 2019 (transition date)	874.04
As at March 31, 2020	874.04
Accumulated Depreciation	
As at April 1, 2019	-
Depreciation for the year	305.14
As at March 31, 2020	305.14
Net Carrying value as at March 31, 2020	568.90

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6 INTANGIBLE ASSETS

(Rupees in lakhs)

Particulars	Computer Software	Rail Licenses fees	Total
Gross Carrying Value			
As at April 1, 2018	**713.31**	**3,208.33**	**3,921.64**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	**713.31**	**3,208.33**	**3,921.64**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2020	**713.31**	**3,208.33**	**3,921.64**
Accumulated Amortisation			
As at April 1, 2018	**198.64**	**499.84**	**698.48**
Amortisation for the year	148.04	249.84	397.88
Deductions	-	-	-
As at March 31, 2019	**346.68**	**749.68**	**1,096.36**
Amortisation for the year	100.20	250.59	350.79
Deductions	-	-	-
As at March 31, 2020	**446.88**	**1,000.27**	**1,447.15**
Net Carrying value as at March 31, 2020	**266.43**	**2,208.06**	**2,474.49**
Net Carrying value as at March 31, 2019	**366.63**	**2,458.65**	**2,825.28**
Net Carrying value as at April 1, 2018	**514.67**	**2,708.49**	**3,223.16**

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7 OTHER NON CURRENT FINANCIAL ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good unless otherwise stated			
Financial assets carried at amortised cost			
Bank Deposits with more than 12 months maturity	6.84	6.84	-
Security Deposits	7.77	57.88	14.21
Financial Guarantee	635.30	1,008.82	1,309.50
Total	**649.91**	**1,073.54**	**1,323.71**

8 OTHER NON CURRENT ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good unless otherwise stated			
Capital Advances	953.64	943.64	874.64
Advances other than Capital advances			
- Other Advances - gratuity (Refer Note 41)	-	-	14.91
- Prepaid Rent	0.12	1.89	3.79
- TDS Receivable	362.35	501.19	347.55
- Service tax paid under protest	5.14	5.14	3.87
Total	**1,321.25**	**1,451.86**	**1,244.76**

9 INVENTORIES

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Stores and Spares	-	-	15.66
Total	**-**	**-**	**15.66**

10 CURRENT ASSETS - TRADE RECEIVABLES

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade Receivables considered good - Secured	-	-	-
Trade Receivables considered good - Unsecured	1,032.41	1,350.41	687.74
Trade Receivable which have Significant increase in Credit Risk	45.22	29.11	4.39
Trade Receivable -credit Impaired	-	-	-
	1,077.63	**1,379.52**	**692.13**
Less: Provision for expected credit loss	45.22	29.11	4.39
	45.22	**29.11**	**4.39**
Total	**1,032.41**	**1,350.41**	**687.74**

11 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balances with banks in current accounts	76.26	124.92	380.18
Cash on hand	0.37	3.74	0.06
Total	**76.63**	**128.66**	**380.24**

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12 CURRENT ASSETS - LOANS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Loan to others considered good - Secured			
Loan to others considered good - Unsecured	307.97	-	-
Loan to others which have Significant increase in Credit Risk	-	-	-
Loan to others -credit Impaired	-	-	-
Total	**307.97**	**-**	**-**

13 CURRENT ASSETS - OTHER BANK BALANCES

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deposits with banks to the extent held as margin money	284.62	351.28	457.68
Interest Accrued on Fixed Deposit	4.72	28.10	40.82
Total	**289.34**	**379.38**	**498.50**

14 OTHER CURRENT FINANCIAL ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good unless otherwise stated			
Financial assets carried at amortised cost			
Security Deposits	137.19	73.44	111.83
Financial Guarantee	363.19	381.93	401.24
Other receivable *	-	1,528.71	1,528.71
Total	**500.38**	**1,984.08**	**2,041.78**

Note * During the year receivable of Rs. 1528.71 lakhs transfer to Holding Company for adjustment of liability payable by Holding Company.

15 OTHER CURRENT ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Advances other than Capital advances			
- Advances to Related Parties	-	-	0.23
- Advances to Suppliers	30.86	39.84	81.34
- Advances to Employees	46.88	2.87	16.58
-Others	0.03	16.54	15.55
Others			
- Other receivable	35.66	35.66	35.66
- Prepaid expenses	44.85	7.69	8.99
-Interest Receivable	0.11	-	-
- TDS Receivable	1.19	-	-
- Balance with Government Authority	876.22	1,063.61	1,226.45
Total	**1,035.80**	**1,166.21**	**1,384.80**

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(Rupees in lakhs)

16 SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
i) Authorised Share Capital			
Equity Shares			
6,15,00,000 (As at March 31, 2019: 6,15,00,000 , As at April 1, 2018: 6,15,00,000) Equity shares of Rupees 10 each	6,150.00	6,150.00	6,150.00
Preference Shares			
35,50,000 (As at March 31, 2019: 35,50,000, As at April 1, 2018: 35,50,000) Preference Shares of Rupees 10 each	355.00	355.00	355.00
Total	**6,505.00**	**6,505.00**	**6,505.00**
ii) Issued, Subscribed & Fully Paid up			
4,23,84,417 (As at March 31, 2019: 4,23,84,417, April 1, 2018: 4,23,84,417) Equity Shares of Rupees 10 each	4,238.44	4,238.44	4,238.44
Total	**4,238.44**	**4,238.44**	**4,238.44**
iii) Share Capital Suspense Account			
Share Suspense Account (Refer Note 59.3)	1,728.72	1,728.72	1,728.72
(In consequence to Amalgamation of Arshiya Industrial, Distribution & Hub Limited (AIDHL) and Arshiya Transport & Handling Limited (ATHL) with the Company, 1,72,87,152 Equity shares of Rs. 10 each fully paid up is to be issued to shareholders of AIDHL & ATHL as consideration w.e.f. appointed date i.e. October 1st, 2015. Pending issue and allotment of equity shares, the face value of shares to be allotted is shown against "Share Suspense Account".)			
Total	**1,728.72**	**1,728.72**	**1,728.72**

ii) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year*:

Particulars	In numbers	Amount (Rupees in lakhs)
Equity Share Capital		
Equity shares of Rupees 10 each issued, subscribed and fully paid		
At April 1, 2018	4,23,84,417	4,238.44
Issued during the year	-	-
At March 31, 2019	4,23,84,417	4,238.44
Issued during the year	-	-
At March 31, 2020	**4,23,84,417**	**4,238.44**

* above is excluding balance in Share suspense Account (Read with Note No. 59 of the scheme of amalgamation)

Reconciliation of Zero% optionally convertible redeemable preference shares outstanding as at the beginning and end of the year

Particulars	In numbers	Amount (Rupees in lakhs)
Preference Share Capital		
Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS) of Rupees 10 each		
At April 1, 2018	1,20,000.00	12.00
Issued during the year	-	-
At March 31, 2019	1,20,000.00	12.00
Issued during the year	-	-
At March 31, 2020	**1,20,000.00**	**12.00**

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rupees 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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Terms/rights attached to preference shares

The Company has issued & allotted 1,20,000 Zero % OCRPS of Rupees 10 each at a premium of Rupees 990 per OCRPS aggregating to Rupees 1,200.00 lakhs.
Tenure of OCRPS: 6 years,
Conversion option: The right of conversion shall be exercised at the last day of sixth year from the date of allotment of the OCRPS, only in event of failure on part of the Company to redeem the OCRPS or inability of the Promoters to buyback the OCRPS.
Redemption: The OCRPS Series 1 shall be redeemed in one single installment of Rupees 1200 lakh (including premium) at the end of 6th year from the date of allotment of OCRPS - Series I.

iii. Details of shareholders holding more than 5% equity shares in the company *

Name of the shareholder	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number	% holding	Number	% holding	Number	% holding
Equity shares of Rupees 10 each fully paid						
Arshiya Limited (Holding Company)	4,23,83,817	100.00	4,23,83,817	100.00	4,23,83,817	100.00
Shares held by Nominee and jointly shareholders	600		600		600	

* above is excluding balance in Share suspense Account (Read with Note No. 59 of the scheme of amalgamation)

Details of shareholders holding more than 5% preference shares in the company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number	% holding	Number	% holding	Number	% holding
Preference shares of Rupees 10 each fully paid						
Bank of Baroda	1,20,000	100.00	1,20,000	100.00	1,20,000	100.00

(Rupees in lakhs)

17 **OTHER EQUITY**

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Securities Premium Account	87,898.46	87,898.46	87,898.46
Retained Earnings	(1,16,629.27)	(97,615.55)	(86,982.40)
Equity Component of Guarantee given by Parent Company	2,709.73	2,709.73	2,649.73
Equity Component of loan from Parent Company	504.98	504.98	504.98
Equity Component of Zero% Optionally Convertible Redeemable Preference shares (OCRPS)	519.09	519.09	519.09
Total	**(24,997.01)**	**(5,983.29)**	**4,589.86**

(a) Securities Premium Account

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Opening balance	87,898.46	87,898.46	87,898.46
Add: On issue of Equity shares	-	-	-
Closing Balance	**87,898.46**	**87,898.46**	**87,898.46**

(b) Retained Earnings

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Opening balance	(97,615.55)	(86,982.40)	(86,982.40)
Add/(Less):			
Net Profit/(Loss) for the year	(19,036.46)	(10,607.06)	-
Other comprehensive income	22.74	(26.09)	-
Equity component of Guarantee given	-	-	-
Closing balance	**(1,16,629.27)**	**(97,615.55)**	**(86,982.40)**

(c) Equity Component of Guarantee given by Parent Company

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Opening balance	2,709.73	2,649.73	2,649.73
Add/(Less): Transaction during the year	-	60.00	-
Closing balance	**2,709.73**	**2,709.73**	**2,649.73**

(d) Nature & purpose of Reserves

Securities Premium Account:
Securities premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Provision of Companies Act, 2013.

Retained Earnings :
Retained Earnings are the profits/losses of the Company earned till date net of appropriations.

Equity Component of Guarantee given by Parent Company:
The fair value of financial guarantees given to the lenders of the Company by the Parent Company is recognised as a deemed equity component.

Equity Component of loan from Parent Company:
The difference between the fair value of interest free loans on the date of issue and the transition price is recognised as a deemed equity component by the Parent Company.

For computation of the fair value benefit, the Company has estimated the fair value of the financial liability on the date of issue of considering complete market interest rates adjusted to the facts and circumstances relevant to the Company.

Equity Component of Zero% Optionally Convertible Redeemable Preference shares (OCRPS)
The fair value of liability component is deducted from the fair value of instruments as a whole, with the resulting residual amount being recognised as the equity component.

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18 NON CURRENT BORROWINGS (Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Secured			
-Term Loans			
From Others (refer note 18.1 & 18.2 below)	46,577.11	56,608.92	60,127.60
Liability Component of Compound Financial Instruments	854.14	762.62	680.91
Unsecured			
Loans from Holding Company (refer note no. 44 and 18.3 below)	-	-	936.79
Total	47,431.25	57,371.54	61,745.30

18.1 RAIL Division- Rupee term loan from other parties :-

- Rupee term loans (including current maturity) of Rupees 33,787.05 lakhs (March 31, 2019 : Rupees 33,647.31 lakhs and April 1, 2018 : Rupees 33,538.04 lakhs) are secured by

(1) Details of Security

i. First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of the Rail Division both present and future on pari passu basis.

ii. Second charge by way of Hypothecation of the entire current assets of the Rail Division on pari passu basis.
iii. Personal guarantees from Promoters of Holding Company.
iv. Corporate Guarantee from Holding Company.
v. Pledge of 100% equity shares of ARIL i.e. pre merger shareholding held by Promoters (equivalent to 4,23,84,417 in resulting company).

(2) Terms of Interest rate:
- on Term Loans from others 10% p.a. compounded quarterly,

(3) Terms of repayment :-

(Rupees in lakhs)

Financial Year	Amount
2019-2020	1,744.63
2020-2021	6,139.19
2021-2022	2,276.52
2022-2023	23,954.16
Total	34,114.50

(4) Amount and period of default in repayment of borrowings

(Rupees in lakhs)

Particulars	As at March 31, 2020	
	Amount	Period of Default
Current maturity of Rupee Term loans -Others	1,744.63	2019-20
Total	1,744.63	

(5) The amortised cost disclosed above is net off of incidental cost of borrowings aggregating to Rupees 327.44 lakhs for March 31, 2020 and Rupees 467.19 lakhs for March 31, 2019 and Rupees 612.13 lakhs for April 1, 2018.

18.2 ICD & Domestic Warehousing Division- Rupee term loan from other parties :-

- Rupee term loans (including current maturity) of Rupees 26,594.32 lakhs (March 31, 2019 : Rupees 26,591.94 lakhs and April 1, 2018 : Rupees 26,589.56 lakhs) are secured by

(1) Details of Security

i. First charge on all movable assets and immovable assets of the ICD & Domestic Warehousing Division both present and future on pari passu basis.

ii. First charge by way of Hypothecation of the entire current assets of the ICD & Domestic Warehousing Division on pari passu basis.
iii. Personal guarantees from Promoters of Holding Company.
iv. Corporate Guarantee from Holding Company.
v. Pledge of 100% equity shares of AIDHL i.e. pre merger shareholding held by Promoters (equivalent to 1,72,37,152 in resulting company).

(2) Terms of Interest rate:
- on Term Loans from others 10% p.a. compounded quarterly,

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(3) Terms of repayment :-

(Rupees in lakhs)

Financial Year	Amount
2019-2020	1,885.69
2020-2021	4,034.74
2021-2022	2,209.30
2022-2023	18,470.27
Total	**26,600.00**

(4) Amount and period of default in repayment of borrowings

(Rupees in lakhs)

Particulars	As at March 31, 2020	
	Amount	Period of Default
Current maturity of Rupee Term loans -Others	1,885.69	2019-20
Total	1,885.69	

(5) The amortised cost disclosed above is net off of incidental cost of borrowings aggregating to Rupees 5.68 lakhs for March 31, 2020 and Rupees 8.06 lakhs for March 31, 2019 and Rupees 10.44 lakhs for April 1, 2018.

18.3 Loan from Holding Company is interest free and repayable on demand.

19 NON CURRENT LEASE LIABILITIES

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Lease liability (Refer Note 40)	254.64	-	-
Total	254.64	-	-

20 OTHER NON CURRENT FINANCIAL LIABILITIES

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Financial Liabilities at amortised cost			
Advance warehouse rent	1.98	10.52	-
Security Deposit	33.53	63.98	-
Total	35.51	74.50	-

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21 NON CURRENT LIABILITIES - PROVISIONS (Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for employee benefits			
Gratuity (Refer Note 41)	43.22	65.99	-
Leave encashment (Refer Note 41)	38.21	51.10	18.91
Total	**81.43**	**117.09**	**18.91**

22 OTHER NON CURRENT LIABILITIES (Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Government Grants (Refer note no. 27.1)	1,266.83	1,632.32	1,723.69
Total	**1,266.83**	**1,632.32**	**1,723.69**

23 CURRENT BORROWINGS (Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Secured			
(a) Loan from other party (Refer note 23.1 below)	3,000.00	3,000.00	3,000.00
Unsecured			
(b) Loans from Related parties (Refer note 23.2 below & 44)	15,115.51	16,566.19	16,505.53
(c) Bill discounting (Refer note 23.3 below)	75.79	-	-
Total	**18,191.30**	**19,566.19**	**19,505.53**

23.1 ICD & Domestic Warehousing Division- Short term loan from other party
Term loans of Rupees 3,000 lakhs (March 31, 2019 : Rupees 3,000 lakhs and April 1, 2018 : Rupees 3,000 lakhs) are secured by
(a) Details of Security

i) First Ranking charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of ICD & Domestic Warehousing Division as per the Deeds of Hypothecation,
ii) Personal Guarantee of both promoter directors of Parent Company
iii) Corporate Guarantee of Parent Company
(b) Rate of Interest: 18% p.a
(c) Repayment: Bullet payment after expiry of 3 months.
(d) Amount and period of default in repayment of borrowings: Default in repayment of principal of Rupees 3,000 lakhs since March 31, 2019. The same has been recall by the lenders.

23.2 Interest free loan upto 1 year and repayable on demand.

23.3 Bill discounting facility
Funding limit of Rs. 3 crore with maximum payment period for individual invoices is 90 days against receivables of one of the customer.

24 CURRENT LIABILITIES- TRADE PAYABLES (Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total outstanding dues of Micro and Small Enterprises (Refer note 43 & 54)	44.20	23.73	10.59
Total outstanding dues of creditors Other than Micro and Small Enterprises (Refer Note 39 & 54)*	1,421.09	1,486.98	804.07
Total	**1,465.29**	**1,510.71**	**814.66**

* Trade Payable of Rupees 145.83 lakhs assigned to parent company through the assignment agreement and Parent Company has settled said dues by issuance of Compulsory Convertible Debentures (CCD), which was subsequently converted into Equity Shares of Parent company.

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25 CURRENT LEASE LIABILITIES (Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Lease Liability (Refer Note 40)	363.94	-	-
Total	363.94	-	-

26 OTHER CURRENT FINANCIAL LIABILITIES (Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Financial Liabilities at amortised cost			
Current maturities of long term borrowings			
Term Loans from banks (Refer Note 26.1)**	6,910.60	6,910.60	8,931.30
Term Loans from others (Refer Note 18.1 & 26.2)	16,764.27	6,590.33	-
Interest accrued and due on borrowings***	32,192.44	15,286.30	14,058.92
Interest accrued but not due on borrowings	-	5,045.28	2,321.32
Advance warehouse rent	9.19	8.98	-
Security Deposit	59.14	50.19	57.64
Financial Guarantee	-	-	3.85
Others			
Project Creditors(Refer Note 39 & 54)*	1,111.73	1,442.18	1,947.15
Employee's Dues ****	171.36	284.71	152.76
Payable for Expenses	464.84	288.23	515.98
Other Payables	21.86	-	-
Total	57,705.43	35,906.80	27,988.92

* Project creditors of Rupees 300.45 lakhs assigned to parent company through the assignment agreement and Parent Company has settled said dues by issuance of Compulsory Convertible Debentures (CCD), which was subsequently converted into Equity Shares of Parent company.

** Include Loan aggregating to Rupees 6,910.60 lakhs (March 31, 2019: Rupees 6,910.60 lakhs, April 1, 2018: Rupees 8,931.30 lakhs) recalled by banks.

***Include Interest accrued and due on Term Loans aggregating to Rupees 10,777.02 lakhs (March 31, 2019: Rupees 8,289.98 lakhs, April 1, 2018: Rupees 11,893.70 lakhs) recalled by banks.

***Include Interest accrued and due on Term Loans aggregating to Rupees 2,519.94 lakhs (March 31, 2019: Rupees 1,020.68 lakhs, April 1, 2018: Rupees 97.20 lakhs) recalled by others.

****Include Full and Final settlement of Rupees 39.01 lakhs (March 31, 2019 Rupees 31.60 lakhs , April 1, 2018 Rupees 19.92 lakhs)

26.1 **RAIL Division- Rupee term loan from Banks :-**

- Rupee term loans of Rupees 6910.60 lakhs (March 31, 2019 : Rupees 6910.60 lakhs and April 1, 2018 : Rupees 8931.30 lakhs) are secured by

(1) Details of Security

i. First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of the Rail Division both present and future on pari passu basis.
ii. Second charge by way of Hypothecation of the entire current assets of the Rail Division on pari passu basis.
iii. Personal guarantees from Promoters of Holding Company.
iv. Corporate Guarantee from Holding Company/ Promoter.
v. Pledge of 100% equity shares of ARIL i.e. pre merger shareholding held by Promoters (equivalent to 4,23,84,417 of equity shares in resulting company).

(2) Terms of Interest rate:

- on Term Loans from Banks from 10.45% p.a - 16.25% p.a.

(3) Terms of repayment :-

(Rupees in lakhs)

Financial Year	Term Loans from Banks
2012-2013	22.50
2013-2014	75.00
2014-2015	277.50
2015-2016	3,695.60
2018-2019*	2,840.00
Total	6,910.60

* Refer note no. 51

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(4) Amount and period of default in repayment of borrowings

(Rupees in lakhs)

Particulars	March 31, 2020	
	Banks	Period of Default
Current maturity of Rupee Term loans	22.50	2012-13
	75.00	2013-14
	277.50	2014-15
	3,695.60	2015-16
	2,840.00	2018-19
Total	**6,910.60**	

26.2 RAIL Division- Rupee term loan from Others :-

- Rupee term loans of Rupees 2,960.00 lakhs (March 31, 2019 : Rupees 2,960.00 lakhs and April 1, 2018 : NIL) are secured by

(1) Details of Security

i. First pari passu charge on all present and future cash flows of the Rail Division.
ii.First pari passu charge on all movable assets and immovable assets of the Rail Division.
iii. Charge on cash flows and movable assets by deed of Hypothecation.
iv. Personal guarantees from Promoters of Holding Company.
v. Corporate Guarantee from Holding Company.

(2) Terms of Interest rate:

- on Term Loans from others @ 20% p.a payable quarterly

(3) Terms of repayment :-

(Rupees in lakhs)

Financial Year	Term Loans from Others
2022-2023*	2,960.00
Total	**2,960.00**

* During the previous year the loan has been recalled by others.

(4) Amount and period of default in repayment of borrowings

(Rupees in lakhs)

Particulars	March 31, 2020	
	Others	Period of Default
Current maturity of Rupee Term loans	2,960.00	2018-19
Total	**2,960.00**	

***** Amount and period of default in payment of interest on borrowings**

(Rupees in lakhs)

Particulars	Period of Default	March 31, 2020	
		Banks	Others
Interest accrued & due on borrowing	2013-14	965.05	-
	2014-15	876.51	-
	2015-16	1,035.94	-
	2016-17	1,287.23	-
	2017-18	1,512.65	1,904.72
	2018-19	2,612.60	5,091.60
	2019-20	2,487.04	14,419.10
Total		**10,777.02**	**21,415.42**

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27 OTHER CURRENT LIABILITIES

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current			
Unearned Revenue	42.96	-	-
Advance received from Customers	20.04	107.02	151.12
Other Advances	0.00	0.51	1.74
Government Grants (Refer note no. 27.1)	365.49	365.49	639.61
Others			
Statutory Liabilities*	1,222.87	1,090.81	875.82
Interest on Delayed payment of Statutory dues	1,132.37	894.75	700.71
Total	**2,783.73**	**2,458.58**	**2,369.00**

* Statutory liablities include TDS,Goods & Service Tax, Service tax,PF,ESIC payable,Employee professional tax

27.1 GOVERNMENT GRANTS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Opening balance	1,997.81	2,363.30	2,728.79
Released to statement of profit and loss	(365.49)	(365.49)	(365.49)
Closing balance	**1,632.32**	**1,997.81**	**2,363.30**
Current	365.49	365.49	639.61
Non Current	1,266.83	1,632.32	1,723.69

28 CURRENT LIABILITIES - PROVISIONS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for employee benefits			
Leave encashment (Refer Note 41)	12.52	11.22	4.17
Total	**12.52**	**11.22**	**4.17**

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29 REVENUE FROM OPERATIONS

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rail Freight Income	12,151.58	12,074.57
Road Freight Income	1,134.73	810.66
Handling Income	537.61	626.06
Terminal Income	235.19	233.63
Rent Income	463.96	302.03
Other operating Income	25.01	10.55
Total	**14,548.08**	**14,057.50**

30 OTHER INCOME

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on Financial assets carried at amortised cost		
Unwinding of interest on Security deposit	6.21	5.76
Other interest income		
Interest on Bank fixed deposits	19.43	28.41
Interest income on income tax refund	53.02	-
Interest on Loan to others	68.41	-
Other income		
Government Grants	365.49	365.49
Financial Guarantee Income	-	3.85
Sundry Balance/ Excess provision Written Back	27.30	502.70
Miscellaneous Income	42.77	0.47
Total	**582.63**	**906.68**

31 COST OF OPERATIONS

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rail Freight Expenses	9,674.01	9,734.24
Road Freight Expenses	1,255.30	897.30
Handling Expenses	230.13	229.38
Terminal Expenses	440.42	357.55
Other operating expenses	191.45	227.66
Total	**11,791.31**	**11,446.13**

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32 EMPLOYEE BENEFITS EXPENSE (Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	1,299.02	1,325.28
Contribution to provident and other funds	28.95	27.90
Share based payments	21.86	-
Staff welfare expenses	31.67	72.53
Total	**1,381.50**	**1,425.71**

33 FINANCE COST (Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on Financial liabilities measured at amortised cost		
Interest expense on borrowings	12,169.57	10,173.42
Unwinding of interest for loan from related party (Refer Note 44)	-	187.72
Interest expense on Security Deposit	9.60	7.66
Interest expense others		
Interest on Delayed Payment of Statutory Dues	245.09	218.43
Interest on MSME vendors	0.31	0.84
Interest Charges Others	96.71	151.06
Other borrowing costs		
Guarantee Commission Expense	381.28	379.99
Interest on Lease Liability	96.54	-
Bill Discounting charges	14.42	-
Finance cost on derecognition of guarantee commission	10.97	-
Finance cost on Amortisation of Liability Component	91.51	81.71
Bank charges	11.78	7.20
Total	**13,127.78**	**11,208.03**

34 DEPRECIATION AND AMORTISATION EXPENSES (Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on tangible assets	5,971.67	5,927.31
Depreciation on right to use assets	305.14	-
Amortisation on intangible assets	350.79	397.88
Total	**6,627.60**	**6,325.19**

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35 OTHER EXPENSES (Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Repairs and maintenance		
- Building	28.13	16.73
- Others	110.09	178.87
Advertisement	19.92	39.07
Payments to Auditors (Refer note below)	14.64	19.39
Electricity charges	66.12	65.95
Insurance	14.22	33.26
Legal and professional fees	179.71	204.25
Rates and taxes	18.77	23.51
Rent	96.35	476.85
Printing and Stationary	10.54	17.62
Office Expenses	24.79	32.26
Security charges	138.92	94.63
Telephone and internet expenses	20.37	32.67
Travelling & conveyance expenses	206.08	194.51
Vehicle Expenses	38.96	49.95
Allowance for doubtful debts and advances	16.11	24.71
Miscellaneous expenses	235.26	56.79
Loss on sale of scrap	-	0.30
Total	**1,238.98**	**1,561.32**

(a) Details of Payments to auditors (Rupees in lakhs)

Particulars	2019-20	2018-19
As Statutory Auditor		
Audit Fee	14.64	19.39
Total	**14.64**	**19.39**

36 EXCEPTIONAL ITEMS (Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Settlement of Claim (Refer Note no. 51)	-	(6,395.14)
Total	**-**	**(6,395.14)**

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37 Earnings per share (Basic and Diluted)

Particulars	As at March 31, 2020	As at March 31, 2019
Profit available to equity shareholders		
Profit/(Loss) after tax (A) (Rupees in Lakhs)	(19,036.46)	(10,607.06)
Add: Interest adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	91.51	81.71
Total Profit/ (Loss) for the year for diluted EPS (Rupees in Lakhs)	(18,944.94)	(10,525.35)
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)**	5,96,71,569	5,96,71,569
Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	1,20,00,000	1,20,00,000
Total Weighted average number of equity shares /OCRPS (Diluted) (C)	7,16,71,569	7,16,71,569
Nominal Value of an equity share (Rupees)	10	10
Basic earnings per share(A/B) (Rupees)	(31.90)	(17.78)
Diluted earnings per share(A/C) (Rupees)*	(31.90)	(17.78)

* Diluted Earning per share when anti dilutive is restricted to Basic Earnings Per Share.

** Includes 1,72,87,152 numbers of shares pending to be issued pursuent to the scheme of amalgamation.

38 CONTINGENT LIABILITIES & COMMITMENT
(To the extent not provided for)

i) Capital Commitments

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid)	1,144.44	563.82	449.60

Cash outflow expected on execution on such capital contracts

(ii) Contingent liabilities:

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Carrier Bond (Bond has been given to Principal of custom for the safeguarding duty liability on goods movement from respective ports to ICD Khurja)	10,000.00	675.00	1,080.00
(b) Custodian cum Carrier Bond (Company has provided bond in favour of custom department for duty free movement of goods from respective ports to ICD khurja)	1,000.00	1,000.00	1,000.00
(c) Bank Guarantee	100.00	201.25	262.00
(d) Letter of Credit (Letter of Credit given in favour of Railways for availing e-freight facility for haulage payment)	100.00	100.00	100.00
(e) Claims Against the Company not acknowledged as Debt	23.39	23.39	75.33
(f) Service tax Demand	51.55	51.55	51.55
No Cash outflow is expected in near future			

39 Certain creditors have initiated legal proceedings against the company and its directors and the company has defaulted in payment of instalments of consent terms for which the company is in process of negotiating and finalising the revised consent terms. Majority of the creditors have been settled over the past few years and some of the creditors have also shown interest and faith not only in logistics and infrastructure sector but also in the Company and are being allotted equity shares of Holding Company.

40 LEASES

Effective 1st April, 2019, the Company has adopted Ind AS 116 - "Leases" and applied the revised standard to all lease contracts thereby capitalising assets taken on operating lease existing on 1st April, 2019, using the modified retrospective method, without adjustment of comparatives. This has resulted in recognizing a Right-of-Use asset and a corresponding Lease Liability of Rs. 874.04 Lakh as at 1st April, 2019. The impact on the profit for the year ended is not material.

(i) Movement of carrying value of right of use of assets

(Rupees in lakhs)

Particulars	Building
Balance as on April 1, 2019	-
Additions recognised on implementation of Ind AS 116 (transition date)	874.04
Less: Depreciation charge for the year	(305.14)
Balance as on March 31, 2020	**568.90**

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(ii) Movment of Lease liabilities

(Rupees in lakhs)

Particulars	As at March 31, 2020
Recognised on implementation of Ind AS 116 as at 1st April, 2019 (transition date)	874.04
Add: Interest expenses on unwinding lease liabilities	96.54
Less: Payment of lease liabilities	(352.01)
Balance as at 31st March 2020	**618.57**

41 EMPLOYEE BENEFIT

41.1 Disclosure pursuant to Indian Accounting Standard (IND AS) 19 – Employee Benefits

(a) Defined contribution plans

Contribution to Defined Contribution Plan, recognised as expenses for the years are as under:

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident Fund	8.62	8.25
Employer's Contribution to Pension Scheme	19.56	18.72
Employer's Contribution to ESIC	0.33	0.33

(b) Brief descriptions of the plans

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

(c) Leave Obligations

(Rupees in lakhs)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Provisions for Leave encashment			
Current	12.52	11.22	4.17
Non-Current	38.21	51.10	18.91
Total	50.73	62.32	23.08

(d) Defined benefit plan – Gratuity:

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

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ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	March 31, 2020	March 31, 2019
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2012-14) Ult	Indian Assured lives Mortality (2006-08) Ult
Discount rate	5.60%	6.95%
Expected return on plan assets	7.00%	7.40%
Salary Escalation Rate	5.00%	9.00%
Withdrawal Rate	19.00%	18.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Liability as at the beginning of the year	136.84	51.07
Interest cost	9.53	3.78
Current service cost	20.03	20.58
Benefits paid	(16.98)	(2.96)
Actuarial (gain)/loss on obligations	(22.74)	26.09
Acquisition adjustment	(7.68)	38.28
Liability as at the end of the year	119.00	136.84
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	70.85	65.98
Expected return on plan assets	4.93	4.87
Actual Enterprise's Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	75.78	70.85
IV. Actual return on plan assets		
Expected return on plan assets	4.93	4.87
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	4.93	4.87
V. Liability recognised in the Balance Sheet		
Liability as at the end of the year	119.00	136.84
Fair value of plan assets as at the end of the year	75.78	70.85
Liability/ (Asset) recognised in the Balance Sheet	43.22	65.99
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VII. Amount recognised in the Statement of Profit and Loss		
Current service cost	20.03	20.58
Interest cost	-	-
Expected return on plan assets	4.60	(1.10)
Net actuarial (gain)/loss to be on obligation	-	-
Expense/ (Income) recognised in Statement of Profit and Loss	24.63	19.48
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Amount recognised in OCI, beginning of the year	11.48	(14.61)
Components of actuarial gain/losses on obligations		
Due to Change in financial assumptions	(16.07)	16.76
Due to Change in demographic assumption	(0.11)	(2.11)
Due to Change in experience assumption	(6.56)	11.44
Expected return on plan assets	-	-
Change in Asset Ceiling	-	-
Total remasurement recognised in OCI	(22.74)	26.09
Amount recognised in OCI, end of year	(11.26)	11.48
IX. Balance Sheet reconciliation		
Opening net liability	65.99	(14.90)
Expenses recognised in Profit & Loss	24.63	19.48
Actual Employer Contribution	(16.98)	(2.96)
Total Remeasurement recognised in OCI	(22.74)	26.09
Acquisition adjustment	(7.68)	38.28
Closing net liability	43.22	65.99

(e) Salary escalation assumption has been set in discussions with the enterprise based on their estimates of overall long-term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

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41.2 Sensitivity analysis:

Particulars	**Changes in assumptions**	**Effect on Gratuity obligation (Rupees in lakhs)**
For the year ended 31st March, 2019		
Salary growth rate	+0.50%	140.26
	-0.50%	133.53
Discount rate	+0.50%	133.49
	-0.50%	140.34
For the year ended 31st March, 2020		
Salary growth rate	+0.50%	121.62
	-0.50%	116.48
Discount rate	+0.50%	116.50
	-0.50%	121.61

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

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

(A) Interest risk - A decrease in the discount rate will increase the plan liability.

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

(C) Salary risk - The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, as increase in the salary of the plan participants will increase the plan's liability.

41.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 4 years (31st March, 2019 - 5 years).

42 Disclosure pursuant to Indain Accounting Standard 108 - Operating Segment

42.1 Primary Segment Information

The company is engaged in Private Container Train Operator (PCTO) business and is holding Category-I license which allows the company to operate on Indian Rail network on pan India basis both Domestic and Exim Traffic. The Company operates in two primary reportable business segments, i.e. "Rail & Inland Container Depot" and "Domestic Warehousing Zone".

The company provides services within India and hence does not have any operation in economic environments with different risks and returns. Hence, it is considered that the company is operating in a single geographical segment.

42.2 Segment Revenue, results, assets and liabilities

Revenue and results have been identified to a segment on the basis of relationship to operating activities of the segment.

Segment assets and segment liabilities represent assets and liabilities in respective segments. Segment assets include all operating assets used by the operating segment and mainly includes trade receivable and other receivables. Segment liabilities primarily include trade payables and other liabilities. Assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets and liabilities.

42.3 The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of the nature of services.

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42.4 Segmental Information as at and for the year ended 31st March, 2020 is as follows:-

(Rupees in lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019	Year Ended 31st March 2018
Segment Revenue			
Rail & ICD	14,079.49	13,750.16	-
Domestic Warehouse	468.59	307.34	-
Less: Inter Segment	-	-	-
Total Revenue from Operations	**14,548.08**	**14,057.50**	**-**
Segment Results Before Tax and Interest			
Rail & ICD	(5,017.52)	(4,567.86)	-
Domestice Warehouse	(958.91)	(1,225.38)	-
Total Segment Result	**(5,976.43)**	**(5,793.24)**	-
Less: Unallocated Expenses net of Income	(67.75)	0.93	-
Less: Finance Costs	13,127.78	11,208.03	-
Less: Exceptional Items (Net)	-	(6,395.14)	-
Loss before tax	**(19,036.46)**	**(10,607.06)**	-
Less: Tax Expenses	-	-	-
Loss after tax	**(19,036.46)**	**(10,607.06)**	**-**
Segment Assets			
Rail & ICD	69,722.09	75,151.69	80,199.40
Domestic Warehouse	40,031.63	41,416.35	42,329.08
Unallocated	808.30	2,064.78	2,198.72
Total	**1,10,562.02**	**1,18,632.82**	**1,24,727.20**
Segment Liabilities			
Rail & ICD	7,994.80	7,747.83	7,589.53
Domestic Warehouse	96.65	115.95	-
Unallocated	1,21,500.42	1,10,785.17	1,06,580.65
Total	**1,29,591.87**	**1,18,648.95**	**1,14,170.18**
Other Disclosures			
Capital Expenditure			
Rail & ICD	3.21	260.88	-
Domestic Warehouse	-	13.45	-
Unallocated	-	-	-
Total	**3.21**	**274.33**	-
Depreciation and amortisation expenses			
Rail & ICD	5,234.01	4,913.85	-
Domestic Warehouse	1,393.59	1,411.34	-
Unallocated	-	-	-
Total	**6,627.60**	**6,325.19**	**-**
Non-cash Expenditure			
Rail & ICD	16.11	24.71	-
Domestic Warehouse	-	-	-
Unallocated	-	-	-
Total	**16.11**	**24.71**	**-**

Customers individually contributes to more than 10% of revenue :-

There are 4 customers (March 31, 2019 - 2 customers) aggregating to Rupees 11,395.70 lakhs (March 31, 2019 Rupees 8,179.24 lakhs) constituting 78% (March 31, 2019- 58%) of Revenue.

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43 DISCLOSURES UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

To the extent,the company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under

(Rupees in lakhs)

Particulars	For the year March 31, 2020	For the year March 31, 2019	For the year April 1, 2018
(i) Principal amount remaining unpaid	44.20	23.73	10.59
(ii) Interest due thereon remaining unpaid	0.31	0.84	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
(v) Interest accrued and remaining unpaid (net of tax deducted at source)	0.31	0.84	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-	-

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44 RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Sr. No.	Name of Related Party	Nature of Relationship	% of equity interest	Country of Incorporation
1	Arshiya Limited	Holding Company	100	India
2	Arshiya Northern Projects Private Limited Arshiya Logistics Services Limited	Fellow Subsidiaries		India
3	Mr. Ajay S. Mittal - Director Mr. Navnit Choudhary - Director Mr. Ashish Kumar Bairagra - Independent Director Mr. Rishabh Pankaj Shah - Independent Director Mr. Siddarth Kasturia - Chief Executive Officer (w.e.f. March 26, 2019 till January 31, 2020) Mr. Vinod Jain - Chief Financial Officer (till March 25, 2019) Ms. Avani Dipakkumar Lakhani - Company Secretary (w.e.f. March 26, 2019) Mr. Amardeep Gupta - Chief Financial Officer (w.e.f. March 26, 2019 till March 16, 2020)	Key Managerial Personnel (KMP)		
4	Mrs. Archana A Mittal Mr. Ananya A Mittal	Relative of Key Managerial Personnel		

(ii) The nature and amount of transactions with the above related parties are as follows

(Rupees in lakhs)

Name of the Party	Nature of Transaction	March 31, 2020	March 31, 2019
Arshiya Limited	Loans taken**	(1,053.04)	(1,513.40)
	Loan repayments***	2,769.43	3,103.76
	Allocation of cost and common expenses by Holding Company*	(267.01)	(521.50)
	Unwinded Interest expense on Loan from holding company	-	(187.72)
	Financial Guarantees	(381.28)	(379.99)
	Share application money received	(1,950.00)	-
	Share application money refund	1,950.00	-
Arshiya Logistics Services Limited	Loan repayments	-	0.23
Arshiya Northern Projects Private Limited	Loans received	-	5.00
	Loan repayments	(1.30)	-
Ananya Mittal	Salary Paid	27.06	25.67

* During the year, the Holding Company has allocated certain common cost and expenses incurred by it, to the company aggregating to Rupees 267.01 lakhs (31st March, 2019 - Rupees 521.50 lakhs) based on Holding Company's estimates of such cost and expenses attributable to the company. Hence, Employee benefit expenses (Refer Note No. 32) and certain expenses stated under other expenses (Refer Note No. 35) are presented as inclusive of such allocation of certain common costs and expenses.

** Includes non cash adjustment of Rupees 446.28 lakhs of liabilities transfer to holding company through assignment agreement.

*** Includes receivable of Rs. 1528.71 lakhs transfer to Holding Company for adjustment of liability payable by Holding Company.

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(iii) Closing Balances

(Rupees in lakhs)

Name	March 31, 2020	March 31, 2019	April 1, 2018
Loans to related parties			
Arshiya Logistics Services Limited	-	-	0.23
Loans from related parties			
Arshiya Limited	15,111.81	16,561.19	17,442.32
Arshiya Northern Projects Private Limited	3.70	5.00	-
Financial Guarantee			
Arshiya Limited	998.49	1,390.75	1,710.74
Personal Guarantee (Liability Jointly & Severally) taken			
Ajay S Mittal	96,471.00	96,471.00	93,471.00
Archana A Mittal	96,471.00	96,471.00	93,471.00
Corporate Guarantee taken			
Arshiya Limited	78,436.69	80,800.19	77,800.19
Corporate Guarantee given			
Arshiya Limited	550.00	550.00	-

(iv) **Key managerial personnel compensation**

Mr. Vinod Jain - Chief Financial Officer (till March 25, 2019)

(Rupees in lakhs)

Particulars	March 31, 2020	March 31, 2019
Short term employee benefits	-	20.49
Total	**-**	**20.49**

Mr. Siddarth Kasturia - Chief Executive Officer (w.e.f. March 26, 2019 till January 31, 2020)

(Rupees in lakhs)

Particulars	March 31, 2020	March 31, 2019
Short term employee benefits	50.45	0.95
Total	**50.45**	**0.95**

Ms. Avani Dipakkumar Lakhani - Company Secretary (w.e.f. March 26, 2019)

(Rupees in lakhs)

Particulars	March 31, 2020	March 31, 2019
Short term employee benefits	6.43	0.10
Total	**6.43**	**0.10**

Mr. Amardeep Gupta - Chief Financial Officer (w.e.f. March 26, 2019 till March 16, 2020)

(Rupees in lakhs)

Particulars	March 31, 2020	March 31, 2019
Short term employee benefits	21.17	0.36
Total	**21.17**	**0.36**

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45 FAIR VALUE MEASUREMENTS

(i) Financial Instruments by Category

(Rupees in lakhs)

Particulars	Carrying Amount			Fair Value		
	March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
FINANCIAL ASSETS						
Amortised cost						
Trade Receivables	1,032.41	1,350.41	687.74	1,032.41	1,350.41	687.74
Cash and Cash Equivalents	76.63	128.66	380.24	76.63	128.66	380.24
Loans	307.97	-	-	307.97	-	-
Security Deposits	144.96	131.32	126.04	144.96	131.32	126.04
Other Bank Balances	296.18	386.23	498.50	296.18	386.23	498.50
Financial Guarantee	998.49	1,390.75	1,710.74	998.49	1,390.75	1,710.74
Other Financial Assets	-	1,528.71	1,528.71	-	1,528.71	1,528.71
Total	**2,856.64**	**4,916.08**	**4,931.97**	**2,856.64**	**4,916.08**	**4,931.97**
FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	89,297.42	90,438.66	90,182.13	89,297.42	90,438.66	90,182.13
Trade Payables	1,465.29	1,510.71	814.66	1,465.29	1,510.71	814.66
Other financial liabilities	34,066.08	22,480.38	19,057.63	34,066.08	22,480.38	19,057.63
Lease Liabilities	618.58	-	-	618.58	-	-
Total	**1,25,447.37**	**1,14,429.75**	**1,10,054.42**	**1,25,447.37**	**1,14,429.75**	**1,10,054.42**

(ii) Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

(a) The Company assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) The fair values for security deposits and other financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(c) The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(iii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

(a) **Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices.

(b) **Level 2** - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) **Level 3** - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

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46 Financial Risk Management

The Company's principal financial liabilities comprises of borrowings, trade and other payables and financial guarantees contracts. The main purpose of these financial liabilities is to manage for the Company's operations. The Company's financial assets comprises of trade and other receivables, cash and deposits that arises directly from its operations.

The company's activities expose it to variety of financial risks including credit risk, liquidity risk and market risk. The Company's risks management assessment, management and processes are established to identify and analyze the risks faced by the Company to set up appropriate risks limits and controls and to monitor such risks and compliances with the same. Risks assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the company's activities.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and Financial assets measured at amortised cost.	Ageing analysis	Regular review of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of financial support from parent company
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Unhedged

The Company's risk management is carried out by a corporate finance team under the policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas, such as credit risk, interest rate risk.

(A) Credit risk

The Company is exposed to credit risk, which is risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents as well as credit exposures to trade customers including outstanding receivables.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the company through continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any further services to major customers are approved by the senior management. Credit risk is high as only few customers' account for majority of the revenue in the year presented. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain.

(B) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times; maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company limits its liquidity risk by ensuring funds from trade receivables. The Company relies on operating cash flows and funding from holding company to meet its needs for funds.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

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Contractual maturities of financial liabilities (Rupees in lakhs)

Particulars	Less than 1 year	Between 1 year and 5 years	More than 5 year
March 31, 2020			
Borrowings	41,866.17	47,764.37	-
OCRPS (Debt and Equity component)	-	1,200.00	-
Trade payables	1,465.29	-	-
Other financial liabilities	34,042.85	-	-
Total Financial liabilities	**77,374.31**	**48,964.37**	**-**
March 31, 2019			
Borrowings	33,067.12	57,084.17	-
OCRPS (Debt and Equity component)	-	1,200.00	-
Trade payables	1,510.71	-	-
Other financial liabilities	22,426.79	-	-
Total Financial liabilities	**57,004.62**	**58,284.17**	**-**
April 1, 2018			
Borrowings	28,512.13	60,750.17	-
OCRPS (Debt and Equity component)	-	-	1,200.00
Trade payables	814.66	-	-
Other financial liabilities	19,058.99	-	-
Total Financial liabilities	**48,385.78**	**60,750.17**	**1,200.00**

(C) Market risk

Market Risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: 1) Foreign currency risk and 2) Interest rate risk

1) Foreign currency risk

1) Foreign currency risk is the risk that the fair value or future cash flow or an exposure will fluctuate because of changes in foreign exchange rates. However, the Company does not have any foreign currency exposure.

2) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During the 31st March, 2020 the Company's borrowings at the variable rate were mainly denominated in Rupees.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS- 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:-

(Rupees in lakhs)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Variable rate borrowings	6,910.60	6,910.60	8,931.30

Interest sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit before tax		
	March 31, 2020	March 31, 2019	April 1, 2018
Interest sensitivity			
50 bps increase the profit before tax by*	(34.55)	(34.55)	(44.66)
50 bps decrease the profit before tax by*	34.55	34.55	44.66
* Holding all other variable constant			

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47 CAPITAL MANAGEMENT

For the company's objective when managing capital is to safeguard the company's ability to continue going concern in order to provide the return for shareholders and benefit to other stakeholders and to maintain an optional capital structure to reduce the cost of capital. Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a Debt equity ratio.

(Rupees in lakhs)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Borrowings	89,297.42	90,438.65	90,182.12
Other Financial Liabilities (interest accrued)	32,192.44	20,331.58	16,380.24
Total Debt	**1,21,489.86**	**1,10,770.23**	**1,06,562.36**
Equity	5,967.16	5,967.16	5,967.16
Other equity	(24,997.01)	(5,983.29)	4,589.86
Total Equity	**(19,029.85)**	**(16.13)**	**10,557.02**

Notes:-
(i) Debt is defined as long term and short term borrowings including current maturities and interest.
(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

Debt Covenants
Under the terms of Restructuring Agreement, the company is required to comply with following financial covenants:-

Without prior approval of lender, the company shall not:

(a) **Loans, debenture & charge -** Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.

(b) **Dividend on equity shares** - declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA.

(c) **Investments by Borrower** - make any investments by way of deposits, loans, share capital etc. in any concern or elsewhere without prior approval of the Lender / Business Monitoring Committee.

In order to achieve this overall objective, the Capital Management, amongst other thing, aims to ensure that it meets Financial covenants attached to the interest bearing Loans and borrowings that define Capital structure requirements, there have been breaches in the Financial covenants of Interest bearing loans and borrowing in the Current period and previous period.

The Company has not proposed any dividend in last two years in view of losses incurred.

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Arshiya Rail Infrastructure Limited ★ Mumbai

48 Taxation

i) Tax Reconciliation

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Reconciliation of tax expense		
Loss before tax	(19,036.46)	(10,607.06)
Enacted income tax rate (%) applicable to the Company #	26%	26%
Tax expenses calculated at enacted income tax rate	(4,949.48)	(2,757.84)
Related to Property plant & equipment	340.02	340.71
Effect of Expenses that are not deductible in determining taxable profit	3,224.69	1,741.74
Effect of Incomes that are not allowable in determining taxable profit	(2.77)	(1,485.31)
Tax Losses	1,387.53	484.23
Effect of Loss of AIDHL & ATHL	-	1,676.46

The tax rate used for reconciliation above is the corporate tax rate of 26% at which the Company is liable to pay tax on taxable income under the Indian Tax Law.

ii) The Company has not recognised any deferred tax assets on deductible temporary differences, unused tax losses as it is not probable that the Company will have sufficient future taxable profit which can be available against the available tax losses.

iii) **Unused tax losses for which no deferred tax assets has been recognised**

(Rupees in lakhs)

Assessment Year	Business Loss	Available for utilisation till Assessment Year	Unabsorbed Depreciation
2014-2015	14,739.87	2022-2023	6,512.68
2015-2016	-	2023-2024	5,536.76
2016-2017	-	2024-2025	3,192.80
2017-2018	13,093.10	2025-2026	3,717.69
2018-2019	431.07	2026-2027	3,199.58
2019-2020	-	2027-2028	1,862.43
2020-2021	16.83	2028-2029	5,319.84
Total	**28,280.87**		**29,341.78**

Assessment Year	Long term Capital Loss	Available for utilisation till Assessment Year
2016-17	369.21	2024-2025
Total	**369.21**	

Unused deferred tax assets as at March 31, 2020 Rupees 10,572.83 Lakhs (March 31, 2019 - Rupees 9,231.69 Lakhs, April 1, 2018 - Rupees 12,306.48) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilised by the Company.

Details of Deferred tax assets are mentioned below:-

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Property plant equipment	7,895.53	4,268.76	4,084.31
Unabsorbed depreciation	(7,628.86)	(6,245.70)	(5,761.47)
Expense allowable on payments under section 43B and 40(a)(ia)	(3,131.32)	(166.12)	(3,651.00)
Unabsorbed loss	(7,429.82)	(7,425.45)	(7,425.45)
Financial Instruments	(278.36)	336.82	447.13
Total Deferred Tax Assets	**(10,572.83)**	**(9,231.69)**	**(12,306.48)**

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Arshiya Rail Infrastructure Limited ★ Mumbai

49 Preparation of financial statements on " Going Concern" basis

The company has incurred net loss of Rupees 19,036.46 Lakhs during the year ended March 31, 2020 and as of that date, the company's current liabilities exceeded by its current assets by Rupees 77,279.68 lakhs. Some of its lenders have recalled their loans and the company is in the process of negotiating the revised payment terms with the lenders.

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

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

In view of the focussed emphasis of the Government on logistics infrastructure sector and considering the fact that the facilities are yet to achieve full operational potential besides the strategic locations of the facilities, the management's future outlook of its businesses is very promising.

The management of the company is in the process of restructuring its business operations and steps are as under :

i Focus on long term contracts with corporate clients for stable revenues.

ii Focus on reduction of empty haulage / return business in different sectors to increase in revenue and margins.

iii Increased focus on Khurja as a distribution hub post GST implementation

iv Government focus on Multi-modal logistic and transport services to increase the throughput of the infrastructure already created by the company;

v Government focus on the revamping of the Railway Boards and increasing clarity on regulatory aspects to support resolution of the regulatory issues;

vi Two Dedicated Freight Corridor(s) (DFC) along the Western and Eastern part of India to support increase in the business volume.

vii Government announcement of Jewar Airport and Merut Highway connecting Jewar via Khurja and thereby connecting to Yamuna Expressway(i.e. Delhi to Agra).

The above steps shall enable the Company to improve Company's Net worth and its ability to discharge its debts/liabilities in near future and accordingly the financials have been prepared on going concern basis, based on financial support from the Parent Company.

50 As per debt covenant, the Company are required to adhere to repayment schedule and any short payment gives Edelweiss Asset Reconstruction Company (EARC) the right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Company. No such notice of conversion in writing has been given by EARC and the Company continues to disclose the amount as current and non-current as per repayment schedule, in the Balance Sheet.

51 The company had entered into one-time settlement (OTS) with a lender and the effect was taken as an exceptional item during the previous financial year ended March 31, 2019. However, the Company has defaulted in payment as per the terms of the OTS. As a result, the Company needs to reverse the exceptional gain recorded during the previous year and needs to recognise Interest on the entire liability as per the original terms. The Company is in discussion with the lender for additional time to repay.
The Company has not reversed the gain, nor provided for additional interest. Had the Company reversed the gain and provided for additional interest, exceptional item would have been lower by Rs. 6,604.55 Lakhs and finance cost would have been higher by Rs. 5,975.95 Lakhs having consequential impact on total comprehensive income for the year ended 31st March, 2020.

52 The Company has procured certain capital goods under EPCG scheme at concessional rate of duty. On non fulfillment of certain conditions, the company may become liable to pay differential custom duty along with interest thereon such procurement. 5 EPCG license are closed with release of Corporate Guarantee.The management is hopeful of completing the expected obligation within the stipulated time for balance 1 EPCG license.

53 The Board of Directors of the Parent Company and Company's board at their meeting held on 24th May, 2018 has approved the Scheme of Arrangement to reorganize corporate structure i.e. demerger of "Domestic warehousing business" of the Parent Company into the company. The said scheme has been approved by shareholders, unsecured creditors and is subject to approval of secured lenders of the Company and the Parent Company. No accounting impact and disclosures is considered and necessary at this stage pending requisite regulatory approvals.

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Arshiya Rail Infrastructure Limited * Mumbai

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

55 Corporation Bank has filed a suit with Debt Recovery Tribunal, New Delhi, towards recovery of loan against the Company and Arshiya Limited as a Corporate Guarantor and two promoter directors of the holding company as Guarantors, for Rupees 9,472.15 lakhs. The same is pending before the DRT Delhi. The matter is sub-judice.

Further, Corporation Bank has filed petition against the company for recovery of dues at NCLT under Insolvency and Bankruptcy Code, 2016. The matter is pending for pre-admission stage.

56 The Company disaggregates revenue from contracts with customers by type of products and services, geography and timing of revenue recognition.

Revenue disaggregation by type of goods and services is given note no. 29

Revenue disaggregation by geography is as follows:

(Rupees in lakhs)

Geography	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
In India	14,548.08	14,057.50
Outside India	-	-

Revenue disaggregation by timing of revenue recognition is as follows:

(Rupees in lakhs)

Geography	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
Goods transferred at a point in time	-	-
Service transferred over time	14,548.08	14,057.50

57 Punjab National Bank (lead Bank), on behalf of Certain Consortium Banks, has initiated debt recovery action under Section 13(2) of Securitization & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) (ACT) vide notice dated 19th October, 2015 aggregating to Rupees 58,657.51 lakhs (reduced to Rupees 29,369.94 lakhs after the Restructuring Agreement is signed with EARC on 31st March,2017). The bank has also invoked the Corporate Guarantee issued by the Promoter Company, Arshiya Limited and Personal Guarantees of Promoter Directors i.e. Mr. Ajay S. Mittal and Mrs. Archana A. Mittal. Further on 19th January 2016, the Company received a notice of Possession from the authorised officer of the bank under Power Conferred on the bank u/s 13(4) of the said Act read with Rule 8 (i) of the Rules. The said loan has been assigned by Punjab National Bank to EARC & further EARC has filed an application for withdrawal for the same.

58 Upon signing of Restructuring Agreement with Edelweiss Assets Reconstruction Company Limited (EARC) on 31st March 2017, the Company is accruing penal interest on restructured debt @ 8% p.a. based upon the balance confirmation provided by EARC till 30th September 2019 against the documented rate of 18% per annum. It has resulted in the short provision of penal interest amounting to Rs. 157.60 Lakh till the year ended 31st March, 2019 and for the year ended 31st March 2020 amounting to Rs. 524.31 Lakh. In aggregate penal interest provisions are lower by Rs. 681.91 Lakh till 31st March 2020. The Company represented to EARC for revision in penal interest and the same is under discussion.

59 Business Combinations

59.1 The Board of Directors of the Company at its meeting held on 21st March, 2017 approved a Scheme of Amalgamation and Arrangement ("the Scheme") which provides for Amalgamation of Arshiya Industrial and Distribution Hub Limited (AIDHL) and Arshiya Transport and Handling Limited (ATHL) with the Company. The appointed date is 1st October, 2015. The AIDHL was engaged in providing facility of warehousing including temperature controlled storage and other cargo/ logistics related activities through Inland Container Depot (ICD). The ATHL was not having any operational activity.

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Arshiya Rail Infrastructure Limited ★ Mumbai

59.2 National Company Law Tribunal, Mumbai Bench (NCLT) (the appropriate authority) has approved the above Scheme vide its order pronounced on 06th December, 2019 . Certified copy of aforesaid NCLT order has been filed with the Registrar of Companies on 06th January 2020, from which date the Scheme has become effective and accordingly, AIDHL and ATHL has ceased to exist.

59.3 1,72,37,152 Equity Shares and 50,000 Equity shares will be allotted of the Company to the shareholders (i.e. Arshiya Limited) of AIDHL and ATHL, in the ratio of 1 equity shares of Rs. 10/- each fully paid up against 1 equity shares of Rs. 10/- each fully-paid up held by them on the record date i.e. 06th January, 2020 for this purpose. Pending issue of such shares as at March 31, 2020, at face value of the shares to be issued has been accounted under Share Capital Suspense Account.

59.4 The authorised share capital of the Company has been increased from Rs. 4,500 lakhs to Rs. 6,505 lakhs comprising 6,15,00,000 equity shares of Rs. 10 each and 35,50,000 preference shares of Rs. 10 each.

59.5 The Scheme has been accounted for as per the accounting treatment approved by the NCLT read with applicable accounting standards prescribed under section 133 of the Companies Act, 2013. The scheme has been accounted under the pooling of interest method with effect from appointed date as per the above mentioned NCLT order and accordingly the comparatives for the previous year have been restated. Further, the financial statements as of the first day of the previous year i.e. April 1, 2018 have also been presented as per Ind AS 1 "Presentation of Financial Statements". All assets and liabilities of AIDHL and ATHL as at 1st October 2015 have been taken over at their existing book values. The balance of reserves pertaining to AIDHL and ATHL, as appearing in the financial statements of AIDHL and ATHL as on 1st October 2015 is aggregated with the corresponding balance appearing in the financial statements of the Company. There is no difference between the consideration and value of net identifiable assets acquired.

60 The Company offers equity-based award plan to its employees through its Holding Company, Arshiya Limited. During the current year, the Holding Company introduced an Arshiya Limited Employee Stock Option Scheme 2019 ("ESOP"), which is approved by the shareholders of the Holding Company to provide equity settled incentive to an employee of the Company. The ESOP scheme includes tenure based stock option awards. The specific Employees to whom the Options are granted and their Eligibility Criteria are determined by the Nomination and Remuneration Committee of Holding Company.

Initial awards under the ESOP were granted on 30th January, 2020. 100% of the options will vested on completion of 1st year from Grant Date. Options are exercisable within period of 1 years from the respecting vesting period.
The Company recognized total expenses of Rs. 21.86 lakhs (March 31, 2019 NIL) related to equity settled share-based payment transactions for the year ended 31st March, 2020 and corresponding liability has been recognised for an equivalent amount. The liability recognised on this account will be payable to the Holding Company on exercise of the option by the employee.

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

Notes to the financial statements 1-61

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

Place : Mumbai
Date: June 27, 2020

For and on behalf of Board of Directors of
Arshiya Rail Infrastructure Limited

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

Avani Dipakkumar Lakhani
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of
Arshiya Northern FTWZ Limited

Report on the Audit of Financial Statements

Qualified Opinion

We have audited the accompanying Financial Statements of **Arshiya Northern FTWZ Limited ('the Company')**, which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the Basis for Qualified Opinion section of our report the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the financial position of the Company as at 31st March 2020, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

As mentioned in the Note No. 46 to the financial 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 years were accounted based on the confirmations received from EARC. It has resulted in the short provision of interest amounting to Rs. 56.19 Lakh till the year ended 31st March 2019 and for year ended 31st March 2020 amounting to Rs. 134.13 Lakh, 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. 190.32 Lakh till 31st March 2020. Had interest been recognised at its documented rate, finance cost for the year ended 31st March 2020 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.

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

Emphasis of Matter

i. We draw attention to the Note No. 56 to the financial statement, regarding settlement of disputed liabilities with erstwhile fellow subsidiary for the period prior to its disposal and disclosure of settlement amount of Rs. 948.19 Lakhs as exceptional items.

ii. As at 31st March, 2020 balance confirmations from 2 of the lenders with respect to the borrowing including interest accrued thereon aggregating to Rs. 26,627.45 Lakhs have not been received.

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises in Annual Report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

That Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

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.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. Further to our comment in the Annexure A, as required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. *Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above*, In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

   d. *Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above*, In our opinion, the aforesaid financial statements comply with Ind AS prescribed under Section 133 of the Act read with relevant rules there under;

   e. On the basis of the written representations received from the directors of the Company as on 31st March, 2020 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

   f. The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

   g. In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 of the act is not applicable to the company since no managerial remuneration is paid / provided.

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

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

   i. The Company, as detailed in Note no. 35 to the financial statement has disclosed the impact of pending litigation on its financial position.

   ii. The Company does not have any long term contracts including derivative contracts and hence there are no material foreseeable losses.

   iii. There is no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

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

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 20109859AAAACT6795

Place: Mumbai
Date: 27/06/2020

"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Northern FTWZ Limited on the financial statements for the year ended 31st March 2020)

(i) In respect of fixed assets:-

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) As explained to us, the Company has physically verified fixed assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.

(c) In our opinion and according to information and explanation given to us and on the basis of our examination of available records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company does not have any Inventories; hence the provisions of Clause (ii) of paragraph 3 of the said order are not applicable to the Company.

(iii) In respect of unsecured loans granted by the Company to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. According to the information and explanations given to us:

(a) In our opinion and according to the information and explanations provided to us, the terms and conditions of the grant of such loans are prima facie not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

(c) There are no overdue amounts as at the year-end in respect of both principal and interest.

(iv) In our opinion and according to information and explanation given to us, the company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of providing guarantees. The company has not given any loan, made investment and securities.

(v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified. During the year, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

(vi) Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act, the Provisions of Clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) According to the records of the Company and information and explanations given to us, the Company has generally been regular except slight delays in few cases, in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, duty of excise, goods and service tax, cess and any other statutory dues to the appropriate authorities as applicable during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable except Tax deducted at Source amounting to Rs. 98.69 Lakh and interest on tax deducted at source amounting to Rs. 57.42 Lakh.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and goods and service tax, which have not been deposited on account of any dispute.

(viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at balance sheet date except as mentioned below. There are no dues to debenture holders and government as at the balance sheet date.

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

Defaults in respect of bank and financial institutions are as under:- **(Rs. In Lakh)**

Particulars	Amount of continuing default as on 31st March, 2020		Period of Default
	Principal	Interest	
Edelweiss Asset Reconstruction Company Limited-through Various trust	-	529.67	Financial Year 2017-2018
	-	938.91	Financial Year 2018-2019
	2,113.15	2,179.83	Financial Year 2019-2020
Punjab National Bank	402.69	-	Financial Year 2012-2013
	937.04	1,364.42	Financial Year 2013-2014
	1,116.80	1,195.21	Financial Year 2014-2015
	5,586.63	1,348.49	Financial Year 2015-2016
	-	1,515.62	Financial Year 2016-2017
	-	1,858.75	Financial Year 2017-2018
	-	2,919.20	Financial Year 2018-2019
	-	2,541.59	Financial Year 2019-2020
State Bank of India	203.12	-	Financial Year 2012-2013
	473.18	708.93	Financial Year 2013-2014
	563.95	583.71	Financial Year 2014-2015
	2,820.75	680.94	Financial Year 2015-2016
	-	765.33	Financial Year 2016-2017
	-	938.71	Financial Year 2017-2018
	-	1,068.29	Financial Year 2018-2019
	-	1,219.28	Financial Year 2019-2020
Punjab National Bank – Cash Credit	63.30	51.03	Financial Year 2014-2015
	-	58.31	Financial Year 2015-2016
	-	60.17	Financial Year 2016-2017
	-	64.64	Financial Year 2017-2018
	-	175.16	Financial Year 2018-2019
	-	93.19	Financial Year 2019-2020
Total	**14,280.61**	**22,859.38**	

(ix) According to the information and explanations given to us, the Company did not raise any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Therefore, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

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

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

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

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

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

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

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

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 20109859AAAACT6795

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Place: Mumbai
Date: 27/06/2020

"Annexure B" to the Independent Auditor's Report

Referred to in paragraph 2(h) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Northern FTWZ Limited on the financial statements for the year ended 31st March 2020.

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

We have audited the internal financial controls over financial reporting of Arshiya Northern FTWZ Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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CHARTERED ACCOUNTANTS

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management, directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on the audit of test of controls, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 20109859AAAACT6795

Place: Mumbai
Date: 27/06/2020

ARSHIYA NORTHERN FTWZ LIMITED
BALANCE SHEET AS AT MARCH 31, 2020

(Rupees in lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5	65,602.97	74,149.70
(b) Intangible Assets	6	329.77	453.82
(c) Financial Assets			
(i) Loans	7	325.00	-
(ii) Other Financial Assets	8	112.15	168.15
(d) Other Non-Current Assets	9	72.84	66.40
		66,442.73	**74,838.07**
Current assets			
(a) Financial Assets			
(i) Trade Receivables	10	133.70	102.02
(ii) Cash and Cash Equivalents	11	27.33	35.98
(iii) Loans	12	-	325.87
(iv) Other Financial Assets	13	73.49	91.14
(b) Other Current Assets	14	401.96	370.80
		636.48	**925.81**
(c) Assets held for sale (Refer note no. 48)		7,068.22	-
TOTAL ASSETS		**74,147.43**	**75,763.88**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	1,086.87	1,086.87
(b) Other Equity	16	10,433.74	18,337.19
		11,520.61	**19,424.06**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	8,361.50	8,513.95
(ii) Other Financial Liabilities	18	103.47	55.37
(b) Provisions	19	5.91	7.73
		8,470.88	**8,577.05**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	14,335.73	10,163.90
(ii) Trade Payables	21		
(A) Total outstanding dues of Micro and Small Enterprises		4.10	8.56
(B)Total outstanding dues of creditors Other than Micro and Small Enterprises		22.62	96.87
(iii) Other Financial Liabilities	22	39,625.34	37,336.92
(b) Other Current Liabilities	23	167.63	155.91
(c) Provisions	24	0.52	0.61
		54,155.94	**47,762.77**
TOTAL EQUITY & LIABILITIES		**74,147.43**	**75,763.88**

Notes to the financial statements 1-58

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

For and on behalf of Board of Directors of Arshiya Northern FTWZ Limited

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director & Chief Financial Officer
DIN : 00613576

Place : Mumbai
Date: June 27, 2020

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Arshiya Northern FTWZ Limited Mumbai

ARSHIYA NORTHERN FTWZ LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rupees in lakhs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	25	725.46	460.80
Other income	26	99.82	262.90
Total Income (I)		**825.28**	**723.70**
EXPENSES			
Cost of operations	27	14.11	8.99
Employee benefits expenses	28	165.85	400.31
Finance costs	29	5,645.56	5,805.25
Depreciation and amortization expenses	30	1,625.21	1,609.79
Other expenses	31	331.33	327.54
Total Expenses (II)		**7,782.06**	**8,151.88**
Loss before exceptional items and tax (I-II)		(6,956.78)	(7,428.18)
Exceptional Items	32	948.19	527.34
Loss before tax		**(7,904.97)**	**(7,955.52)**
Tax expense:	38		
Current tax		-	-
Deferred tax		-	-
Loss for the year		**(7,904.97)**	**(7,955.52)**
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit and loss:			
Remeasurement of gain /(loss) on defined benefit plans	36	1.52	(7.41)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(7,903.45)	(7,962.93)
Earnings per Equity shares (Face value Rupees 10 each)			
Basic/ Diluted earnings per share (In Rupees)	33	(72.73)	(73.20)

Notes to the financial statements 1-58

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

For and on behalf of Board of Directors of
Arshiya Northern FTWZ Limited

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director & Chief Financial Officer
DIN : 00613576

Place : Mumbai
Date: June 27, 2020

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

Arshiya Northern FTWZ Limited * Mumbai

ARSHIYA NORTHERN FTWZ LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A Equity Share Capital (Refer Note 15)

(Rupees in lakhs)

Particulars	Amount
Equity Shares of Rupees 10 each issued, subscribed and paid up	
As at April 1, 2018	
Equity Shares	1,086.87
Issue of equity share during the year	-
As at March 31, 2019	**1,086.87**
Equity Shares	1,086.87
Issue of equity share during the year	-
As at March 31, 2020	**1,086.87**

B Other Equity (Refer Note 16)

(Rupees in lakhs)

Particulars	Reserve & Surplus		Other Reserve		Total
	Securities Premium Account	Retained Earnings	Equity component of Guarantee given by Parent Company	Equity component of loan from Parent Company	
As at April 1, 2018	42,845.95	(17,242.79)	643.01	53.95	26,300.12
Loss for the year	-	(7,955.52)	-	-	(7,955.52)
Other comprehensive income	-	(7.41)	-	-	(7.41)
Total comprehensive income for the year	-	**(7,962.93)**	-	-	**(7,962.93)**
As at March 31, 2019	**42,845.95**	**(25,205.72)**	**643.01**	**53.95**	**18,337.19**
Loss for the year	-	(7,904.97)	-	-	(7,904.97)
Other comprehensive income	-	1.52	-	-	1.52
Total comprehensive income for the year		**(7,903.45)**			**(7,903.45)**
As at March 31, 2020	**42,845.95**	**(33,109.17)**	**643.01**	**53.95**	**10,433.74**

Notes to the financial statements 1-58

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

Place : Mumbai
Date: June 27, 2020

For and on behalf of Board of Directors of
Arshiya Northern FTWZ Limited

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director & Chief Financial Officer
DIN : 00613576

Arshiya Northern FTWZ Limited

Cash Flow Statement for the year ended March 31, 2020

(Rupees in lakhs)

Particulars	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year before tax		**(7,904.97)**	**(7,955.52)**
Adjustments for :			
Sundry Balances / Excess provision Written Back (Net)		(4.89)	(221.29)
Settlement of Claims		948.19	527.34
Interest income on IT refund		(2.11)	(1.14)
Interest income on loan		(45.62)	(0.12)
Provision for Doubtful debts/ Expected Credit Loss		3.16	-
Capital advance write off		128.25	-
Foreign Exchange Fluctuation Gain		(1.08)	-
Depreciation and amortization expenses		1,625.21	1,609.79
Finance Expense		5,645.56	5,805.25
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES		**391.70**	**(235.69)**
Adjustments for			
Trade & other payables		(675.86)	(854.84)
Trade & other receivables		(21.57)	(392.70)
CASH USED IN OPERATIONS		**(305.73)**	**(1,483.23)**
Direct Tax (Paid)/ Refunds		(4.33)	(25.42)
NET CASH FLOW USED IN OPERATING ACTIVITIES	**(A)**	**(310.06)**	**(1,508.65)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(171.41)	(461.52)
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	**(B)**	**(171.41)**	**(461.52)**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings - Non current		-	(242.01)
Borrowing - current (Net)		472.83	2,295.06
Interest paid on borrowings		-	(65.43)
NET CASH FLOW FROM FINANCING ACTIVITIES	**(C)**	**472.83**	**1,987.62**
Net Increase/(Decrease) in cash and cash equivalents	**(A+B+C)**	(8.65)	17.45
Cash and cash equivalents at the beginning of the year		35.98	18.53
Cash and Cash Equivalents at the end of the year (Refer Note no. 11)		**27.33**	**35.98**

Note:- Changes in liabilities arising from financing activities :

Particulars	March 31, 2019	Cash flow	INDAS Impact	Other non cash adjustment	March 31, 2020
Long term borrowing (Refer Note no. 17 & 22)	22,731.28	-	171.47	-	22,902.75
Short term borrowing (Refer Note no. 20)	10,163.90	472.83	-	3,699.00	14,335.73

Notes to the financial statements 1-58

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number 101720W/W100355

Vijay Napawaliya

Partner

Membership Number. 109859

Place : Mumbai

Date: June 27, 2020

For and on behalf of Board of Directors of

Arshiya Northern FTWZ Limited

Ajay S Mittal

Director

DIN : 00226355

Navnit Choudhary

Director & Chief Financial Officer

DIN : 00613576

ARSHIYA NORTHERN FTWZ LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1 Corporate Information

Arshiya Northern FTWZ Limited (CIN : U51109MH2008PLC183555) is a public company domiciled in India and is incorporated on June 16, 2008 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

Arshiya Northern FTWZ Limited (ANFTWZ) is a subsidiary of Arshiya Limited (AL), AL is listed on Bombay Stock Exchange and National Stock Exchange.The Company is principally engaged in the business of development, operations and maintenance of Free Trade and Warehousing Zone (FTWZ).

The Company has developed a Free Trade & Warehousing Zone at Khurja, District Bulandshahar in the state of Uttar Pradesh and the Government of India vide its Notification No. S. O. 2793(E) dated 16th November, 2010 has notified the aforesaid area as a Free Trade & Warehousing Zone under the provisions of The Special Economic Zone Act, 2005.

The financial statements of the Company for the year ended 31st March, 2020 were approved and adopted by board of directors in their meeting held on 27th June 2020.

2 BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) by the Ministry of Corporate Affairs ("MCA") pursuant to the Section 133 of the Companies Act, 2013 ("the Act") read with of the Companies (Indian Accounting Standards) Rules 2015, (as amended) and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost convention, except for certain financial assets and liabilities, which are measured at fair value / amortised cost.

The financial statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

3 SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENT:

3.1 Property, Plant and Equipment:

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.

Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Depreciation on property, plant and equipment which are added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / deletion. Freehoid land is not depreciated and under the preivous GAAP land was revalued.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

The Company has opted to continue with the carrying values of all of its property, plant and equipment as recognised in the Indian GAAP financial statements as deemed cost at the transition date i.e. April 1, 2016.

3.2 Intangible Assets :

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of five years. The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Company has opted to continue with the carrying values of all of its intangible assets as recognised in the Indian GAAP financial statements as deemed cost at the transition date i.e. April 1, 2016.

3.3 Discontinued operation and non-current assets (or disposal groups) held for sale:

Discontinued operation:

A discontinued operation is a component of the Company that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

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Arshiya Northern FTWZ Limited Mumbai

Non-current assets (or disposal groups) held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognised in the Statements of Profit and Loss as a separate line item. On classification as held for sale, the assets are no longer depreciated. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

3.4 Leases :

The Company has applied IND AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IND AS 17.

The Company assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases). For these short term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.
The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using its incremental borrowing rate as the discount rate.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

3.5 Inventories:

Inventories are valued at the lower of cost and net realizable value. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the First in first out basis.

3.6 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.7 Impairment of assets:

An asset is considered as impaired when at the date of Balance Sheet, there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the statement of profit and loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

3.8 Financial instruments – initial recognition, subsequent measurement and impairment:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I) Financial assets -Initial recognition and measurement:

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Financial assets - Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-
a) Financial assets at fair value

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Arshiya Northern FTWZ Limited * Mumbai

b) Financial assets at amortised cost
Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured **at amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.
a) Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.
b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at **fair value through other comprehensive income** unless the asset is designated at fair value through profit or loss under the fair value option.
a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

Financial assets - Derecognition
A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed form the Company's statement of financial position) when:
a) The rights to receive cash flows from the asset have expired, or
b) The Company has transferred its rights to receive cash flow from the asset.

II) Financial liabilities - Initial recognition and measurement:
The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities - Subsequent measurement:
Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are approximate at their fair value due to the short maturity of these instruments.

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

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

Compound Instruments
An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

3.9 Provisions, Contingent Liabilities, Contingent Assets and Commitments:
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

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Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.10 Revenue recognition

Revenue is recognized upon transfer of control of goods (equipment) or rendering of services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

Period based services are accrued and recognized pro-rata over the contractual period

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

The following are the specific revenue recognition criteria:

(i) Free Trade and Warehousing Zone operations

Revenue from allotment of warehousing space and open yard area for use is accounted on accrual basis as per agreed terms.

(ii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) Dividend income

Dividend Income is recognised when the right to receive the payment is established.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

3.11 Foreign currency reinstatement and translation:

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates as on balance sheet date and the resulting exchange difference recognised in statement of profit and loss. Differences arising on settlement of monetary items are also recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

3.12 Employee Benefits:

Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered.

(a) **Defined Contribution Plan**

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

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(b) **Defined Benefit Plan**

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

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

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

3.13 Taxes on Income:

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

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

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

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

3.14 Borrowing Costs:

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

3.15 Earnings per share:

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.16 Current and non-current classification:

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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A liability is classified as current when it is:
a) Expected to be settled in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

3.17 Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

3.18 Off-setting financial Instrument:

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

3.19 Segment Reporting - Identification of Segments

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

3.20 Contributed Equity

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

3.21 Cash flow statement

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

3.22 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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4.1 Global Health Pendamic : COVID - 19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In assessing the recoverability of Company's assets such as financial asset and non-financial assets, the Company has considered internal and external information. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements and the Company expects to recover the carrying amount of all the assets.

4.2 Property, plant and equipment and Intangible Assets:

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

4.3 Income Tax:

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

4.4 Contingencies:

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

4.5 Impairment of financial assets:

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

4.6 Impairment of non-financial assets:

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

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

4.7 Defined benefits plans:

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

4.8 Provisions:

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

4.9 Exceptional items :

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and / or require separate disclosure in accordance with Ind AS. The determination as to which items should be disclosed separately requires a degree of judgement. The details of exceptional items are set out in note 32.

4.10 Fair value measurement of financial instruments :

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

5 PROPERTY, PLANT AND EQUIPMENT

(Rupees in lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computer	Electric Installations	Total
Gross Carrying Value									
As at April 1, 2018	46,537.40	27,143.98	3,089.05	392.92	3.96	384.99	53.62	768.65	78,374.57
Additions	-	608.20	-	-	-	2.07	-	-	610.27
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2019	46,537.40	27,752.18	3,089.05	392.92	3.96	387.06	53.62	768.65	78,984.84
Additions	-	-	22.65	-	-	-	-	-	22.65
Less: Asset reclassified for held for sale	(1,804.50)	(5,868.60)	(153.50)	(168.18)	-	(67.51)	(1.22)	(45.19)	(8,108.70)
As at March 31, 2020	44,732.90	21,883.58	2,958.20	224.74	3.96	319.55	52.40	723.46	70,898.79
Accumulated Depreciation/ Impairment									
As at April 1, 2018	-	2,096.84	525.65	119.82	2.14	320.93	45.79	237.98	3,349.15
Depreciation for the year	-	1,048.00	258.57	56.50	1.07	2.98	-	118.87	1,485.99
Deductions									
As at March 31, 2019	-	3,144.84	784.22	176.32	3.21	323.91	45.79	356.85	4,835.14
Depreciation for the year	-	1,056.93	263.68	60.15	0.35	0.94	-	119.10	1,501.15
Less: Asset reclassified for held for sale	-	(742.66)	(75.80)	(124.43)	-	(63.45)	(1.15)	(32.98)	(1,040.47)
As at March 31, 2020	-	3,459.11	972.10	112.04	3.56	261.40	44.64	442.97	5,295.82
Net Carrying value as at March 31, 2020	44,732.90	18,424.47	1,986.10	112.70	0.40	58.15	7.76	280.49	65,602.97
Net Carrying value as at March 31, 2019	46,537.40	24,607.34	2,304.83	216.60	0.75	63.15	7.83	411.80	74,149.70

Note : In accordance with the Indian Accounting Standard (IND AS -36) on " Impairment of Assets", the mangement during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss of property, plant and equipment during the year ended March 31, 2020.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

6	INTANGIBLE ASSETS	
		(Rupees in lakhs)
	Particulars	Computer Software
	Gross Carrying Value	
	As at April 1, 2018	619.00
	Additions	-
	Disposals	-
	As at March 31, 2019	**619.00**
	Additions	-
	Disposals	-
	As at March 31, 2020	**619.00**
	Accumulated Amortisation	
	As at April 1, 2018	41.38
	Amortisation for the year	123.80
	Deductions	-
	As at March 31, 2019	**165.18**
	Amortisation for the year	124.05
	Deductions	-
	As at March 31, 2020	**289.23**
	Net Carrying value as at March 31, 2020	**329.77**
	Net Carrying value as at March 31, 2019	**453.82**

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7 NON CURRENT FINANCIAL ASSETS - LOANS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Unsecured, considered good unless otherwise stated		
Loans to Related Parties (Refer note 40)	325.00	-
Total	**325.00**	-

8 OTHER NON CURRENT FINANCIAL ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Financial assets carried at amortised cost		
Financial Guarantee	112.15	168.15
Total	**112.15**	**168.15**

9 OTHER NON CURRENT ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Others		
- TDS Receivable	72.84	66.40
Total	**72.84**	**66.40**

10 CURRENT ASSETS - TRADE RECEIVABLES

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured*	133.70	102.02
Trade Receivable which have Significant increase in Credit Risk	3.16	-
Trade Receivable -credit Impaired	-	-
Total	**136.86**	**102.02**
Allowance for ECL		
Unsecured, considered good	3.16	-
Doubtful	-	-
Total	**133.70**	**102.02**

Note: During the previous year, there was no impairment of ECL since major amount are recievable from related party.

*Includes Rupees 3.60 lakhs and Rupees 35.89 lakhs (March 31, 2019 : Rupees 53.28 lakhs and NIL) due from Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited) and Arshiya 3PL Services Private Limited respectively.

In the opinion of the Management, the dues from Arshiya 3 PL Services Pvt. Ltd. and Arshiya Logistics Services Limited, a fellow subsidiary, are good for recovery in view of long term business plans and future strategies of the Company which shall eventually improve its ability to pay its debts.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

11 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
On current accounts:		
Balances with banks	27.30	33.06
Cash on hand	0.03	2.92
Total	27.33	35.98

12 CURRENT ASSETS - LOANS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans to Related Parties (Refer note 40)	-	325.87
Total	-	325.87

13 OTHER CURRENT FINANCIAL ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Security Deposits	17.49	17.49
Financial assets carried at amortised cost		
Financial Guarantee	56.00	73.65
Total	73.49	91.14

14 OTHER CURRENT ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Current		
Prepaid expenses	4.71	4.05
Interest receivable	41.17	-
Indirect Tax refund receivable (Refer Note 47)	355.06	355.06
Balance with Govt. Authority	1.02	1.02
TDS Receivable	-	10.67
Total	401.96	370.80

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(Rupees in lakhs)

15 SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Share Capital		
2,40,00,000 (As at March 31, 2019: 2,40,00,000) Equity shares of Rupees 10 each	2,400.00	2,400.00
10,00,000 (As at March 31, 2019: 10,00,000) Preference Shares of Rupees 10 each	100.00	100.00
Total	**2,500.00**	**2,500.00**
Issued, Subscribed & Fully Paid up		
1,08,68,677 (As at March 31, 2019: 1,08,68,677) Equity Shares of Rupees 10 each	1,086.87	1,086.87
Total	**1,086.87**	**1,086.87**

ii) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:

Particulars	In numbers	Amount (Rupees in lakhs)
Equity Share Capital		
Equity shares of Rupees 10 each issued, subscribed and fully paid		
At April 1, 2018	1,08,68,677	1,086.87
Issued during the year	-	-
At March 31, 2019	1,08,68,677	1,086.87
Issued during the year	-	-
At March 31, 2020	**1,08,68,677**	**1,086.87**

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rupees 10 per share. Each holder of equity share is entitled to one vote per share. The shareholders who held shares on the record date are entitled to dividend as may be proposed by the Board of Directors and is subject to approval of the Shareholders at the ensuing General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	Number	% holding	Number	% holding
Equity shares of Rupees 10 each fully paid				
Arshiya Limited (Holding Company)	1,08,68,077	100	1,08,68,077	100
Shares held by Nominee and jointly shareholders	600		600	

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Arshiya Northern FTWZ Limited * Mumbai

16 **OTHER EQUITY**

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium Account	42,845.95	42,845.95
Retained Earnings	(33,109.17)	(25,205.72)
Equity Component of Guarantee given by Parent Company	643.01	643.01
Equity Component of loan from Parent Company	53.95	53.95
Total	**10,433.74**	**18,337.19**

(a) Securities Premium Account

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	42,845.95	42,845.95
Closing Balance	**42,845.95**	**42,845.95**

(b) Retained Earnings

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	(25,205.72)	(17,242.79)
Add/(Less):		
Net Profit/(Loss) for the year	(7,904.97)	(7,955.52)
Other comprehensive income	1.52	(7.41)
Closing balance	**(33,109.17)**	**(25,205.72)**

(c) Nature & purpose of Reserves

Securities Premium Account:

Securities premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Provision of Companies Act, 2013.

Retained Earnings :

Retained Earnings are the profits/losses of the Company earned till date net of appropriations.

Equity Component of Guarantee given by Parent Company:

The fair value of financial guarantees given to the lenders of the Company by the Parent Company is recognised as a deemed equity component.

Equity Component of loan from Parent Company:

The difference between the fair value of interest free loans on the date of issue and the transition price is recognised as a deemed equity component by the Parent Company.

For computation of the fair value benefit, the Company has estimated the fair value of the financial liability on the date of issue of considering complete market interest rates adjusted to the facts and circumstances relevant the Company.

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ARSHIYA NORTHERN FTWZ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

17 NON CURRENT BORROWINGS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
(a) Term Loans		
From Others (Refer note 17.1 below)	8,361.50	8,513.95
Total	8,361.50	8,513.95

17.1 Rupee term loan from other parties :-

(a) Rupee term loans (including current maturity) of Rupees 10,798.57 lakhs (March 31, 2019 : Rupees 10,627.10 lakhs) are secured by

(1) Details of Security

i. First Pari Passu charge on fixed assets of the Company - both present and future

ii. First Pari Passu charge/assignment/security interest on the Company's rights under the project documents, contracts (including guarantees) and all licenses, permits, approvals, consents and insurance policies.

iii. Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance under any project agreement or contract in favour of the Company.

iv. Second charge on current assets.

v. Personal guarantee from Promoters of the Holding Company.

vi.Corporate Guarantee of the Holding Company.

vii. Pledge of 4,052,778 Equity Shares of the Company held by the Holding Company.

(2) Terms of Interest rate:

-on Term Loan from others 10% p.a.compounded quarterly,

(3) Terms of repayment :-

(Rupees in lakhs)

Financial Year	Term Loans from others
2019-2020	2,113.15
2020-2021	323.92
2021-2022	3,385.55
2022-2023	5,323.64
Total	11,146.26

(4) Amount and period of default in repayment of borrowings

(Rupees in lakhs)

Particulars	As at March 31, 2020	
	Amount	Period of Default
Current maturity of Rupee Term loans -Others	2,113.15	2019-20
Total	2,113.15	

(5) The amortised cost disclosed above is net off of incidental cost of borrowings aggregating to Rupees 347.69 lakhs for March 31, 2020 and Rupees 519.15 lakhs for March 31, 2019.

18 OTHER NON CURRENT FINANCIAL LIABILITIES

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Liabilities at amortised cost		
Security Deposit	78.44	45.07
Advance warehouse rent	25.03	10.30
Total	103.47	55.37

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

19 NON CURRENT LIABILITIES - PROVISIONS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Gratuity (Refer Note 36)	3.91	4.73
Leave encashment (Refer Note 36)	2.00	3.00
Total	**5.91**	**7.73**

20 CURRENT BORROWINGS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
(a) Cash Credit Loan from bank (refer note 20.1 below)	63.30	263.30
Unsecured		
(b) Loans from Holding Company (refer note 20.2 below & Note 40)	14,272.43	9,900.60
Total	**14,335.73**	**10,163.90**

20.1 (a) Cash Credit loan of Rupees 63.30 lakhs (March 31, 2019 : Rupees 263.30 lakhs) are secured by

(1) Details of Security

- First Pari Passu charge on entire current assets of the Company - both present and future.
- Second Pari Passu charge on the assets charged for Term Loan on first pari passu charge to lender.
- Personal guarantee from Promoters of the Holding Company.
- Corporate Guarantee of the Holding Company.
- Pledge of 4,052,778 Equity Shares of the Company held by the Holding Company.

(2) Terms of Interest rate:

Rate of Interest on Cash Credit Loan : 14 % p.a.

(3) Amount and period of default in repayment of borrowings

Continuing default in repayment of Cash credit loan as at March 31, 2020 is Rupees 63.30 lakhs since FY 2014-2015.

20.2 b) Unsecured Loan from Holding Company

Interest free loan upto 1 year and repayable on demand.

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21 CURRENT LIABILITIES- TRADE PAYABLES

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of Micro and Small Enterprises (Refer Note 39 & 49)	4.10	8.56
Total outstanding dues of creditors Other than Micro and Small Enterprises (Refer Note 49)*	22.62	96.87
Total	**26.72**	**105.43**

* Trade Payable of Rupees 41.89 lakhs assigned to parent company through the assignment agreement and Parent Company has settled said dues by issuance of Compulsory Convertible Debentures (CCD), which was subsequently converted into Equity Shares of Parent company.

22 OTHER CURRENT FINANCIAL LIABILITIES

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Liabilities at amortised cost		
Current maturities of long term borrowings		
Term Loans from banks* (Refer Note 22.1 below)	12,104.18	12,104.18
Term Loans from others (Refer Note 17.1)	2,437.07	2,113.15
Interest accrued and due on borrowings **	22,859.38	16,825.49
Interest accrued but not due on borrowings	-	691.87
Security Deposit	16.49	11.42
Advance warehouse rent	11.19	5.79
Others		
Project Creditors (Refer Note 35 and 49)@	1,554.36	5,510.23
Employee's Dues***	40.39	65.71
Payable for Expenses	37.29	9.08
Other payable	564.99	-
Total	**39,625.34**	**37,336.92**

@ Project creditors of Rupees 3,657.11 lakhs assigned to parent company through assignment agreement and Parent Company has settled said dues by issuance of Compulsory Convertible Debentures (CCD), which was subsequently converted into Equity Shares of Parent company.

* Include Loan aggregating to Rupees 12,104.18 lakhs (March 31, 2019: Rupees 12,104.18 lakhs) recalled by banks.

**Include Interest accrued and due on Term Loans aggregating to Rupees 18,708.47 lakhs (March 31, 2019: Rupees 14,947.59 lakhs) recalled by banks.

** Include interest accrued and due on cash credit facility aggregating to Rupees 502.50 lakhs (March 31, 2019 Rupees 409.32 lakhs) recalled by bank.

*** Include Full and Final settlement of Rupees 29.42 lakhs (March 31, 2019 Rupees 32.05 lakhs)

22.1 Rupee term loan from Banks :-

(a) Rupee term loans (including current maturity) of Rupees 12,104.18 lakhs (March 31, 2019 : Rupees 12,104.18 lakhs) are secured by

(1) Details of Security

i. First Pari Passu charge on fixed assets of the Company - both present and future

ii.First Pari Passu charge/assignment/security interest on the Company's rights under the project documents, contracts (including guarantees) and all licenses, permits, approvals, consents and insurance policies.

iii. Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance under any project agreement or contract in favour of the Company.

iv. Second charge on current assets.

v. Personal guarantee from Promoters of the Holding Company.

vi.Corporate Guarantee of the Holding Company.

vii. Pledge of 4,052,778 Equity Shares of the Company held by the Holding Company.

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(2) Terms of Interest rate:
-on Term Loans from Banks 13 % p.a.,

(3) Terms of repayment :-

(Rupees in lakhs)

Financial Year	Term Loans from Banks
2012-2013	604.22
2013-2014	1,410.23
2014-2015	1,680.76
2015-2016	8,408.97
Total	**12,104.18**

(4) Amount and period of default in repayment of borrowings

(Rupees in lakhs)

Particulars	As at March 31, 2020	
	Amount	Period of Default
Current maturity of Rupee Term loans	604.22	2012-13
	1,410.23	2013-14
	1,680.76	2014-15
	8,408.97	2015-16
Total	**12,104.18**	

**** Amount and period of default in payment of interest on borrowings**

(Rupees in lakhs)

Particulars	March 31, 2020		
	Banks	Others	Period of Default
Interest accrued & due on borrowing	2,073.35	-	2013-14
	1,778.91	-	2014-15
	2,029.42	-	2015-16
	2,280.95	-	2016-17
	2,797.47	529.67	2017-18
	3,987.49	938.91	2018-19
	3,760.88	2,179.83	2019-20
Total	**18,708.47**	**3,648.41**	

The amortised cost disclose above is net off interest cost of borrowings aggregating to Rupees 347.68 lakhs for March 31, 2020 and Rupees 519.15 lakhs for March 31, 2019.

**** Amount and period of default in payment of interest on Cash Credit from Banks**

(Rupees in lakhs)

Particulars	March 31, 2020	
	Banks	Period of Default
Interest accrued & due on Cash Credit	51.04	2014-15
	58.31	2015-16
	60.17	2016-17
	64.64	2017-18
	175.16	2018-19
	93.19	2019-20
Total	**502.51**	

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ARSHIYA NORTHERN FTWZ LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

23 OTHER CURRENT LIABILITIES

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Liabilities*	100.96	106.98
Interest on delayed payment on statutory dues	66.67	48.93
Total	**167.63**	**155.91**

*** Statutory liablities include TDS, PF,ESIC payable,Employee professional tax**

24 CURRENT LIABILITIES - PROVISIONS

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Leave encashment (Refer Note 36)	0.52	0.61
Total	**0.52**	**0.61**

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ARSHIYA NORTHERN FTWZ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

25 REVENUE FROM OPERATIONS

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Storage Income	722.68	457.24
Material Handling and other services	2.78	3.56
	725.46	**460.80**

26 OTHER INCOME

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Other interest income		
Interest income on income tax refund	2.11	1.14
Interest income on loan given	45.62	0.12
Other income		
Foreign Exchange Fluctuation Gain	1.08	-
Sundry Balance/ Excess provision Written Back	4.89	221.29
Lease Income	33.76	33.76
Miscellaneous Income	12.36	6.59
	99.82	**262.90**

27 COST OF OPERATIONS

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
MHE Labour - Skilled	8.75	5.69
Equipment Hire and other charges	5.36	3.30
	14.11	**8.99**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

28 EMPLOYEE BENEFITS EXPENSE

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	156.98	381.44
Contribution to provident and other funds	3.01	7.10
Staff welfare expenses	5.86	11.77
	165.85	**400.31**

29 FINANCE COST

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on Financial liabilities measured at amortised cost		
Interest expense on borrowings	5,513.49	4,886.00
Unwinding of interest on loan from related party	-	20.06
Interest on Security deposits	9.40	2.03
Interest expense others		
Interest on Delayed Payment of Statutory Dues	17.81	5.52
Interest on MSME vendors	-	0.45
Interest on others	28.57	763.31
Others		
Guarantee Commission Expense	73.65	126.80
Derecognision of Interest Expense on security deposit	1.30	-
Bank charges	1.34	1.08
	5,645.56	**5,805.25**

30 DEPRECIATION AND AMORTISATION EXPENSE

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on tangible assets	1,501.16	1,485.99
Amortisation on intangible assets	124.05	123.80
	1,625.21	**1,609.79**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

31 OTHER EXPENSES

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Repairs and maintenance		
- Building	11.75	25.32
- Others	2.00	1.14
Advertisement	1.82	3.91
Payments to Auditors (Refer note below)	6.00	6.00
Electricity charges	33.21	32.03
Insurance	7.32	9.82
Legal and professional fees	35.67	32.86
Rates and taxes	4.25	2.84
Rent	0.33	3.36
Printing and Stationary	2.02	2.61
Security charges	41.77	59.21
Telephone and internet expenses	3.29	4.45
Travelling & conveyance expenses	10.91	103.33
Vehicle Expenses	4.98	8.02
Miscellaneous expenses	37.76	32.64
Capital Advance write off	128.25	-
Total	**331.33**	**327.54**

(a) Details of Payments to auditors

(Rupees in lakhs)

	2019-20	2018-19
As Statutory Auditor		
Audit Fee	6.00	6.00

32 EXCEPTIONAL ITEMS

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Settlement of Claim (Refer Note no. 56)	948.19	527.34
	948.19	**527.34**

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33 **Earnings per share (Basic and Diluted)**

Particulars	As at March 31, 2020	As at March 31, 2019
Profit available to equity shareholders		
Loss after tax (A) (Rupees in Lakhs)	(7,904.97)	(7,955.52)
Number of equity shares		
Weighted average number of equity shares outstanding (Basic and Diluted) (B)	1,08,68,677	1,08,68,677
Basic & Diluted earnings per share(A/B) (Rupees)	(72.73)	(73.20)
Nominal Value of an equity share (Rupees)	10	10

34 **CONTINGENT LIABILITIES**
(To the extent not provided for)

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Bond cum legal undertaking	3,830.21	3,830.21
No Cash outflow is expected in near future		

35 Certain creditors have initiated legal proceedings against the company and its directors and the company has defaulted in payment of instalments of consent terms for which the company is in process of negotiating and finalising the revised consent terms. Majority of the creditors have been settled over the past few years and some of the creditors have also shown interest and faith not only in logistics and infrastructure sector but also in the Company and are being allotted equity shares of Holding Company.

36 **EMPLOYEE BENEFIT**

36.1 **Disclosure pursuant to Indian Accounting Standard (IND AS) 19 – Employee Benefits**

(a) Defined contribution plans

Contribution to Defined Contribution Plan, recognised as expenses for the years are as under:

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident Fund	1.08	2.12
Employer's Contribution to Pension Scheme	1.93	4.82
Employer's Contribution to ESIC	-	0.17

(b) Brief descriptions of the plans

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

(c) Leave Obligations

(Rupees in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provisions for Leave encashment		
Current	0.52	0.61
Non Current	2.00	3.00
Total Employee Benefit Obligation	**2.52**	**3.61**

(d) Defined benefit plan – Gratuity:

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

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ARSHIYA NORTHERN FTWZ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	March 31, 2020	March 31, 2019
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2012-14) Ult	Indian Assured lives Mortality (2006-08) Ult
Discount rate	5.60%	6.95%
Expected return on plan assets	7.00%	7.40%
Salary Escalation Rate	5.00%	9.00%
Withdrawal Rate	19.00%	17.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Liability as at the beginning of the year	5.55	16.76
Interest cost	0.39	1.24
Current service cost	1.32	1.71
Benefits paid	-	(13.64)
Actuarial (gain)/loss on obligations	(1.52)	7.41
Acquisition adjustment	(0.96)	(7.93)
Liability as at the end of the year	4.78	5.55
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	0.82	0.76
Expected return on plan assets	0.06	0.06
Actual Enterprise's Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	0.88	0.82
IV. Actual return on plan assets		
Expected return on plan assets	0.06	0.06
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	0.06	0.06
V. Liability recognised in the Balance Sheet		
Liability as at the end of the year	4.78	5.55
Fair value of plan assets as at the end of the year	0.88	0.82
Liability recognised in the Balance Sheet	3.90	4.73
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VII. Amount recognised in the Statement of Profit and Loss		
Current service cost	1.32	1.71
Interest cost	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be on obligation	0.33	1.18
Expense recognised in Statement of Profit and Loss	1.65	2.89
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Amount recognised in OCI, beginning of the year	25.19	17.78
Components of actuarial gain/losses on obligations		
Due to Change in financial assumptions	(0.79)	0.88
Due to Change in demographic assumption	(0.05)	(0.21)
Due to Change in experience assumption	(0.68)	6.74
Expected return on plan assets	-	-
Total measurement recognised in OCI	(1.52)	7.41
Amount recognised in OCI, end of year	23.67	25.19

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IX. Balance Sheet reconciliation		
Opening net liability	4.74	16.00
Expenses recognised in Profit & Loss	1.65	2.89
Actual Employer Contribution	-	(13.64)
Net transfer by group companies	-	-
Net transfer to group companies	-	-
Total Remeasurement recognised in OCI	(1.52)	7.41
Acquisition adjustment	(0.96)	(7.93)
Closing net liability	3.91	4.74

(e) Salary escalation assumption has been set in discussions with the enterprise based on their estimates of overall long-term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

36.2 Sensitivity analysis:

Particulars	**Changes in assumptions**	**Effect on Gratuity obligation**
For the year ended 31st March, 2019		
Salary growth rate	+0.50%	5.74
	-0.50%	5.39
Discount rate	+0.50%	5.39
	-0.50%	5.74
For the year ended 31st March, 2020		
Salary growth rate	+0.50%	4.91
	-0.50%	4.67
Discount rate	+0.50%	4.67
	-0.50%	4.91

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

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

(A) Interest risk - A decrease in the discount rate will increase the plan liability.

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

(C) Salary risk - The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, as increase in the salary of the plan participants will increase the plan's liability.

36.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 5 years (31st March, 2019 - 6 years).

37 Disclosure pursuant to Indian Accounting Standard 108 - Operating Segment

The Company is primarily engaged in the warehousing and handling business. In the opinion of the company, the entire operations are governed by the same set of risks and returns and hence the same has been considered as representing a single primary segment. The Company provides services within India and it does not have any operation in economic environments with different risks and returns. Hence it is considered that the Company is operating in a single geographical segment.

Customers individually contributes to more than 10% of revenue :-

There are 3 customers (March 31, 2019 - 2 customers) aggregating to Rupees 553.80 lakhs (March 31, 2019 Rupees 394.61 lakhs) constituting 78% (March 31, 2019- 79%) of Revenue.

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38 Taxation

i) Tax Reconciliation

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Reconciliation of tax expense		
Loss before tax	(7,904.97)	(7,955.52)
Enacted income tax rate (%) applicable to the Company #	26.00%	26.00%
Tax expenses calculated at enacted income tax rate	(2,055.29)	(2,068.44)
Related to Property plant & equipment	(59.98)	(121.38)
Effect of Expenses that are not deductible in determining taxable profit	1,498.08	1,503.84
Effect of Incomes that are not allowable in determining taxable profit	(2.79)	(5.67)
Tax Losses	619.98	691.65

The tax rate used for reconciliation above is the corporate tax rate of 26% at which the Company is liable to pay tax on taxable income

ii) The Company has not recognised any deferred tax assets on deductible temporary differences, unused tax losses as it is not probable that the Company will have sufficient future taxable profit which can be available against the available tax losses.

iii) Unused tax losses for which no deferred tax assets has been recognised

(Rupees in lakhs)

Assessment Year	Business Loss	Available for utilisation till Assessment Year	Unabsorbed Depreciation
2012-2013	-	2020-2021	2,068.28
2013-2014	-	2021-2022	2,379.39
2014-2015	-	2022-2023	3,650.45
2015-2016	315.21	2023-2024	3,113.82
2016-2017	1,088.82	2024-2025	2,718.75
2017-2018	9,797.57	2025-2026	2,401.62
2018-2019	2,879.08	2026-2027	2,206.62
2019-2020	583.54	2027-2028	2,076.64
2020-2021	528.64	2028-2029	1,855.88
Total	**15,192.86**		**22,471.45**

Assessment Year	Long term Capital Loss	Available for utilisation till Assessment Year
2016-17	123.97	2024-25
Total	**123.97**	

Deferred tax assets as at 31st March, 2020 Rupees 8,162.79 Lakhs (31st March, 2019 - Rupees 7,239.93 Lakhs) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilised by the Company.

Details of Deferred tax assets are mentioned below:-

(Rupees in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Property plant equipment	2,898.94	2,900.62
Financial Instruments	144.02	187.53
Unabsorbed depreciation	(5,842.58)	(5,360.05)
Expense allowable on payments under section 43B and 40(a)(ia)	(1,387.24)	(1,129.55)
Unabsorbed loss	(3,975.93)	(3,838.48)
Total Deferred Tax Assets	**(8,162.79)**	**(7,239.93)**

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Arshiya Northern FTWZ Limited Mumbai

39 DISCLOSURES UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

To the extent,the company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under

(Rupees in lakhs)

Particulars	For the year March 31, 2020	For the year March 31, 2019
(i) Principal amount remaining unpaid	4.10	8.56
(ii) Interest due thereon remaining unpaid	-	0.45
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(v) Interest accrued and remaining unpaid (net of tax deducted at source)	-	0.45
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

Arshiya Northern FTWZ Limited Mumbai

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ARSHIYA NORTHERN FTWZ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

40 RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Sr. No.	Name of Related Party	Nature of Relationship	% of equity interest	Country of Incorporation
1	Arshiya Limited	Holding Company	100	India
	Arshiya Northern Projects Private Limited Arshya 3 PL Services Private Limited Arshiya Logistics Services Limited	Fellow Subsidiary		India
3	Mr. Ajay S. Mittal - Director Mrs. Archana A Mittal - Director Mr. Navnit Choudhary - Director & Chief Financial Officer Mr. Siddarth Kasturia - Chief Executive Officer (w.e.f. April 8, 2019 till January 31, 2020) Mr. Ashish Kumar Bairagra - Director Mr. Rishabh Pankaj Shah - Director	Key Managerial Personnel (KMP)		
4	Noval FTWZ Limited	Controlled or jointly controlled entities		
5	Mr. Ananya A Mittal	Relative of Key Managerial Personnel		

(ii) The nature and amount of transactions with the above related parties are as follows

(Rupees in lakhs)

Name	Nature of Transaction	March 31, 2020	March 31, 2019
Arshiya Logistics Services Limited	Storage Income	90.00	322.98
	Handling Income	0.30	2.07
	Interest expense on Security deposit	(3.86)	(1.77)
	Warehousing Rent income	4.22	2.11
Arshya 3 PL Services Private Limited	Storage Income	312.00	-
	Handling Income	1.58	-
	Interest expense on Security deposit	(2.06)	-
	Warehousing Rent income	2.62	-
Arshiya Limited	Lease rent income	33.76	33.76
Arshiya Northern Projects Private Limited	Loans given	-	0.75
	Loans repaid	(0.75)	-
Noval FTWZ Limited	Loans given	-	325.00
	Interest income	45.62	0.12
Arshiya Limited	Loans taken **	(4,940.54)	(2,533.34)
	Loan repayments	592.99	280.19
	Allocation of cost and common expenses by Holding Company*	(24.27)	(41.95)
	Unwinded Interest expense on Loan from holding company	-	(20.06)
	Financial Guarantees	(73.65)	(126.80)

* During the year, the Holding Company has allocated certain common cost and expenses incurred by it, to the company aggregating to Rupees 24.27 lakhs (31st March, 2019 - Rupees 41.95 lakhs) based on Holding Company's estimates of such cost and expenses attributable to the company. Hence, Employee benefit expenses (Refer Note No. 28) and certain expenses stated under other expenses (Refer Note No. 31) are presented as inclusive of such allocation of certain common costs and expenses.

** Includes non cash adjustment of Rupees 3,699 lakhs of liabilities transfer to holding company through assignment agreement.

** During the year, Rs.369.28 lakhs paid by holding company on the behalf of the Company (Refer note no. 56).

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ARSHIYA NORTHERN FTWZ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(iii) Closing Balances

(Rupees in lakhs)

Name	March 31, 2020	March 31, 2019
Trade Receivables		
Arshiya Logistics Services Limited	3.60	53.28
Arshiya 3PL Services Limited	35.89	-
Loans from related parties		
Arshiya Limited	14,272.43	9,900.60
Loan to Related parties		
Arshiya Northern Projects Private Limited	-	0.75
Noval FTWZ Limited	366.17	325.12
Security deposit received		
Arshiya Logistics Services Limited	35.94	32.08
Arshya 3 PL Services Private Limited	28.59	-
Advance warehouse rent		
Arshiya Logistics Services Limited	8.36	12.58
Arshya 3 PL Services Private Limited	15.86	-
Financial Guarantee		
Arshiya Limited	168.15	241.80
Corporate Guarantee taken		
Arshiya Limited	28,450.00	28,450.00
Corporate Guarantee given		
Arshiya Limited	550.00	550.00
Personal Guarantee taken		
Ajay S Mittal	31,421.00	31,421.00
Archana A Mittal	31,421.00	31,421.00

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ARSHIYA NORTHERN FTWZ LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

41 FAIR VALUE MEASUREMENTS

(i) Financial Instruments by Category

(Rupees in lakhs)

Particulars	Carrying Amount		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	133.70	102.02	133.70	102.02
Loans	325.00	325.87	325.00	325.87
Cash and Cash Equivalents	27.33	35.98	27.33	35.98
Security Deposits	17.49	17.49	17.49	17.49
Financial Guarantee	168.15	241.80	168.15	241.80
Total	**671.67**	**723.16**	**671.67**	**723.16**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	37,238.48	32,895.18	37,238.48	32,895.18
Trade Payables	26.72	105.43	26.72	105.43
Other financial liabilities	25,187.56	23,174.95	25,187.56	23,174.95
Total	**62,452.76**	**56,175.56**	**62,452.76**	**56,175.56**

(ii) Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

(a) The Company assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) The fair values for loans to subsidiaries, security deposits and other financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(c) The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(iii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

(a) **Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices.

(b) **Level 2** - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) **Level 3** - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

Arshiya Northern FTWZ Limited Mumbai

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

42 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to manage for the Company's operations. The Company's financial assets comprises of loans, trade and other receivables, cash and deposits that arises directly from its operations.

The company's activities expose it to variety of financial risks including credit risk, liquidity risk and market risk. The Company's risks management assessment, management and processes are established to identify and analyze the risks faced by the Company to set up appropriate risks limits and controls, and to monitor such risks and compliances with the same. Risks assessment and managment policies and processes are reviewed regularly to reflect changes in market conditions and the comapny's activities.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and Financial assets measured at amortised cost.	Ageing analysis	Regular review of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of financial support from parent company
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Unhedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Unhedged

The Company's risk management is carried out by a corporate finance team under the policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas, such as credit risk, interest rate risk.

(A) Credit risk

The Company is exposed to credit risk, which is risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents as well as credit exposures to trade customers including outstanding receivables.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the company through continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Credit risk is high as only few customers' account for majority of the revenue in the year presented. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain.

(B) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times; maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company limits its liquidity risk by ensuring funds from trade receivables. The Company relies on operating cash flows and funding from holding company to meet its needs for funds.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Contractual maturities of financial liabilities (Rupees in lakhs)

Particulars	Less than 1 year	Between 1 year and 5 years	More than 5 year
March 31, 2020			
Borrowings	28,876.98	8,709.18	-
Trade payables	26.72	-	-
Other financial liabilities	25,122.17	-	-
Total Financial liabilities	**54,025.87**	**8,709.18**	-
March 31, 2019			
Borrowings	24,381.24	9,033.10	-
Trade payables	105.43	-	-
Other financial liabilities	23,136.07	-	-
Total Financial liabilities	**47,622.74**	**9,033.10**	-

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(C) Market risk

Market Risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: 1) Foreign currency risk and 2) Interest rate risk

1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flow or an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

1.1 Foreign currency risk exposure

Details of foreign currency transactions/balances not hedged by derivative instruments or otherwise are as under:

(Rupees in lakhs)

Particulars	Currency	Financial Year Ended	Foreign currency amount	Equivalent amount (in INR)
Trade receivables	USD	March 31, 2020	1.18	85.63
		March 31, 2019	0.66	46.86
	EURO	March 31, 2020	0.10	7.85
		March 31, 2019	0.04	2.77

1.2 Sensitivity

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(Rupees in lakhs)

	Increase/(decrease) in profit before tax	
Particulars	**March 31, 2020**	**March 31, 2019**
FX rate - increase by 1% on closing rate of reporting date	0.93	0.50
FX rate - (decrease) by 1% on closing rate of reporting date	(0.93)	(0.50)

The above amounts have been disclosed based on the accounting policy for exchange differences.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During the March 31, 2020 the Company's borrowings at the variable rate were mainly denominated in Rupees.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS- 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:-

(Rupees in lakhs)

Particulars	March 31, 2020	March 31, 2019
Variable rate borrowings	12,167.48	12,367.48

Interest sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit before tax	
	March 31, 2020	March 31, 2019
Interest sensitivity		
50 bps increase the profit before tax by*	(60.84)	(61.84)
50 bps decrease the profit before tax by*	60.84	61.84
* Holding all other variable constant		

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ARSHIYA NORTHERN FTWZ LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

43 CAPITAL MANAGEMENT

For the company's objective when managing capital is to safeguard the company's ability to continue going concern in order to provide the return for shareholders and benefit to other stakeholders and to maintain an optional capital structure to reduce the cost of capital , capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is debt divided by total equity.

(Rupees in lakhs)

Particular	March 31, 2020	March 31, 2019
Borrowings	37,238.48	32,895.19
Other Financial Liabilities (interest accrued)	22,859.38	17,517.36
Total Debt	**60,097.86**	**50,412.55**
Equity	1,086.87	1,086.87
Other equity	10,433.74	18,337.19
Total Equity	**11,520.61**	**19,424.06**
Total debt to equity ratio (Gearing ratio)	**5.22**	**2.60**

Notes:-
(i) Debt is defined as long term and short term borrowings including current maturities and interest.
(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

Debt Covenants
Under the terms of Restructuring Agreement, the company is required to comply with following financial covenants:-

Without prior approval of lender, the company shall not:

(a) **Loans, debenture & charge** - Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.

(b) **Dividend on equity shares** - declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA.

(c) **Investments by Borrower** - make any investments by way of deposits, loans, share capital etc. in any concern or elsewhere without prior approval of the Lender / Business Monitoring Committee.

In order to achieve this overall objective, the Capital Mangement, amongst other thing, aims to ensure that it meets Financial covenants attached to the interest bearing Loans and borrowings that define Capital structure requirements, there have been breaches in the Financial covenants of Interest bearing loans and borrowing in the Current period and previous period.

The Company has not proposed any dividend in last two years in view of losses incurred.

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44 Preparation of financial statements on "Going Concern" basis

The company has incurred net loss of Rupees 7,903.45 Lakhs during the year ended March 31, 2020 and as of that date, the company's current liabilities exceeded by its current assets by Rupees 53,519.46 lakhs. The Company have accumulated losses of Rupees 33,109.17 lakhs as at March 31, 2020. Some of its lenders have recalled their loans and the company is in the process of negotiating the revised payment terms with the lenders. In view of the focussed emphasis of the Government on logistics infrastructure sector, considering the fact that the facilities are yet to achieve full operational potential besides the strategic locations of the facilities.

The Company is well connected to New Delhi (approximately 120 km) via existing road and rail network. It is approximately 30 km from the Yamuna Expressway.
The site is one of the key stations on the Eastern Dedicated Freight Corridor and is also close to the Western Dedicated Freight Corridor (approximately 50 km from Dadri) which provides it with advantage to cater to the North India bound cargo handled at the Western and Eastern ports. The proximity to the DFC is a key driver of demand for the business of the Company . The proposed international airport at Jewar being developed by Zurich Airport is approximately 36 km from the company's site. It is expected that the Jewar airport will provide a significant boost to the business of the clients operating from the Khurja FTWZ, which in turn would help the Vendor to scale-up storage space requirements in the Warehouse.

The company had signed the Share Purchase Agreement (SPA) with the Investor for monetising one income generating warehouse subject to completion of certain Condition Precedent and freeze the understanding on Forward Purchase of remaining existing two warehouses and balance future potential development with Construction finance. The Company is in the process of meeting its obligations by way of monetization of its assets and expected value of monetisation of such assets along with future development potential is much more than outstanding obligations. Further, based on financial support from the holding company, the financial statements of the Company have been prepared on a "Going Concern" basis.

45 As per debt covenant, the Company are required to adhere to repayment schedule and any short payment gives Edelweiss Asset Reconstruction Company (EARC) the right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Company. No such notice of conversion in writing has been given by EARC and the Company continues to disclose the amount as current and non-current as per repayment schedule, in the Balance Sheet.

46 Upon signing of Restructuring Agreement with Edelweiss Assets Reconstruction Company Limited (EARC) on 31st March 2017, the Company is accruing penal interest on restructured debt @ 8% p.a. based upon the balance confirmation provided by EARC till 30th September 2019 against the documented rate of 18% per annum. It has resulted in the short provision of penal interest amounting to Rupees 56.19 Lakh till the year ended 31st March, 2019 and for the year ended 31st March 2020 amounting to Rupees 134.13 Lakh. In aggregate penal interest provisions are lower by Rupees 190.32 Lakh till 31st March 2020. The Company represented to EARC for revision in penal interest and the same is under discussion.

47 Indirect Tax Refund Receivable

Refunds receivable in respect of VAT, Service Tax, Local Entry Tax and Service Tax for which appeals are pending with respective Appellate Authorities. The Management is of the view that the refunds claimed as above aggregating to Rupees 355.06 lakhs are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds.

48 Board of directors of the Company had approved the transaction to monetize one of Warehouse numbered as Warehouse No 54 having total leasable area of approximately 191,582 square feet spread over about 4.5 Acres of land and is part of a FTWZ facility that is spread over approximately 127.0 acres with estimated future development potential of approximately 3.0 million square feet besides the 2 existing warehouse already constructed.

The Company and Parent Company had entered into a Binding Share Purchase Agreement with Ascendas Property Fund (India) Pte. Ltd. ("APFI")for monetisation of 1 existing warehouse (i.e. WH no. 54) out of 3 existing Warehouses. The Monetization will be structured in the form of acquisition of one of co-developer entity, that will acquire the long-term leasehold rights in the Property from the Company. On completion of Condition Precedent (CPs), APFI will aquire such co-developer entity along with Warehouse on long term lease basis.

Accordingly, the assets pertaining to i.e. Warehouse No. 54 has been classified as 'Assets Held for Sale'.

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

Arshiya Northern FTWZ Limited * Mumbai *

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

50 **Invoking of Corporate Guarantee of Promoters and Holding Company**
Punjab National Bank (Lead Bank) (PNB) & State bank of India (SBI), have issued notice under SARFAESI Act and have invoked corporate guarantee issued by Holding company and personal guarantee by two promoters directors of the holding company, since the company had defaulted in servicing its borrowings towards principal and interest.

51 (a) The few Lenders of the Company i.e. Punjab National Bank (PNB) and State Bank of India (SBI) has filed a suit with Debt Recovery Tribunal (DRT), New Delhi, towards recovery against Arshiya Northern FTWZ Limited, Arshiya Limited as a Corporate Guarantor and two promoter directors of the holding company as Guarantors, for Rupees 31,378.45 lakhs. The same is pending before the DRT New Delhi.

(b) Axis Bank, the erstwhile lender, has filed a suit with Debt Recovery Tribunal (DRT), New Delhi, towards recovery against the Company, Arshiya Limited as a Corporate Guarantor and two promoter directors of the holding company as Guarantors, for Rupees 3,288.69 lakhs. Axis Bank has assigned their loan to EARC and EARC applied for disposal of the case in light of the Master Restructuring Agreement executed with the Company. DRT New Delhi approved EARC's application and disposed of the Bank's application.

52 Punjab National Bank (PNB) has filed petition against the Company for recovery of dues at National Company Law Tribunal (NCLT) Mumbai under Insolvency and Bankruptcy Code, 2016. PNB has also called upon the Holding Company as corporate guarantor to said loan. The matter is pending for pre-admission stage.

53 As per Provisions of sub section 1 of Section 203 of Companies Act, 2013 (w.e.f. 1st April,2014) the company is required to appoint a Company Secretary. However, the company has not complied with the said requirement and is in the process of identifying a suitable candidate for this role.

54 Corporate Guarantee is given jointly and severally by Holding Company (Arshiya Limited) and the Company for Mira Supply Chain Management Private Limited (MSCMPL) (Formally known as Arshiya Supply Chain Management Private Limited)to lenders of MSCMPL to secure the term loan of Rupees 18,500 lakhs (March 31, 2019: Rupees 18,500 lakhs) and the same has been recognised in the books of Holding company as per IND AS 109. The amount outstanding of loan as on March 31, 2020 is Rupees 2965.11 lakhs (March 21, 2019: Rupees 2,965.11 lakhs).

55 The Company disaggregates revenue from contracts with customers by type of products and services, geography and timing of revenue recognition.

Revenue disaggregation by type of goods and services is given note no. 25
Revenue disaggregation by geography is as follows:

(Rupees in lakhs)

Geography	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
In India	725.46	460.80
Outside India	-	-

Revenue disaggregation by timing of revenue recognition is as follows:

(Rupees in lakhs)

Geography	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
Goods transferred at a point in time	-	-
Service transferred over time	725.46	460.80

56 Exceptional items of Rupees 948.19 Lakh towards settlement of disputed statutory liability related to its erstwhile fellow subsidiary. Post hiving off this Subsidiary, the Holding Company & the Company had received a notice from the aforesaid erstwhile Subsidiary informing about the litigation with respect to statutory liability under Finance Act, 1994, pertaining to the period when it was a subsidiary of the Holding Company. Based on the opinion and advise received from independent professionals and experts, to avoid probable litigation(s) a Settlement Agreement has been entered between the Company and the Holding Company with the erstwhile Subsidiary.

Arshiya Northern FTWZ Limited Mumbai

Chaturvedi & Shah LLP Mumbai Chartered Accountants

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

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

Notes to the financial statements 1-58

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

For and on behalf of Board of Directors of Arshiya Northern FTWZ Limited

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director & Chief Financial Officer
DIN : 00613576

Place : Mumbai
Date: June 27, 2020

Arshiya Northern FTWZ Limited Mumbai

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

To The Members of Arshiya Lifestyle Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Arshiya Lifestyle Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended; the Company has not paid / provided any remuneration to its directors and accordingly provisions of section 197 of the Act is not applicable to the Company.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.
117366W/W-100018)

Manoj H. Dama
(Partner)
(Membership No. 107723)
UDIN: 20107723AAAAGR7302

Place: Mumbai
Date: 20th June, 2020

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th – 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tel: +91 22 6185 4000
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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARSHIYA LIFESTYLE LIMITED
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Arshiya Lifestyle Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Manoj H. Dama
(Partner)
(Membership No. 107723)
UDIN: 20107723AAAAGR7302

Place: Mumbai
Date: 20th June, 2020

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th – 32nd Floor
Senapati Bapat Marg
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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARSHIYA LIFESTYLE LIMITED
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees, or security covered under sections 185 and 186 of the Act, and hence reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit to which the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are applicable and hence reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Except in case of dues of Provident Fund and Tax Deducted at Source, the Company has generally been regular in depositing undisputed statutory dues, including Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities though there have been considerable delays in some cases. In case of Provident Fund and Tax Deducted at Source where the dues have not generally been regularly deposited by the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Services Tax as on 31st March, 2020 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government nor issued any debentures. Hence, reporting under clause 3(viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company has not paid / provided any managerial remuneration and accordingly, the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company. Hence, reporting under clause 3(xi) of the Order is not applicable to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standard. The provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Manoj H. Dama
Partner
(Membership No. 107723)
UDIN: 20107723AAAAGR7302

Place: Mumbai
Date: 20th June, 2020

ARSHIYA LIFESTYLE LIMITED
BALANCE SHEET AS AT MARCH 31, 2020

(Amount in INR Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	9.14	10.04
(b) Right of use assets	4a	17,371.38	-
(c) Financial Assets			
(i) Investment in subsidiary	5	1.00	-
(ii) Other Financial Assets	6(a)	-	-
(d) Income Tax Assets	7	236.80	89.04
(e) Other Non-Current Assets	10	204.46	1,266.22
Total Non-Current Assets		**17,822.78**	**1,365.30**
Current assets			
(a) Financial Assets			
(i) Trade Receivables	8	1,494.31	2,196.75
(ii) Cash and Cash Equivalents	9	666.50	739.63
(iii) Other Financial Assets	6(b)	32.37	10.89
(b) Other Current Assets	10	1,176.55	394.99
Total Current Assets		**3,369.73**	**3,342.26**
TOTAL ASSETS		**21,192.51**	**4,707.56**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	148.50	148.50
(b) Other Equity	12	1,889.52	1,853.11
Total Equity		**2,038.02**	**2,001.61**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	14	13,665.34	-
(ii) Other Financial Liabilities	15	77.85	364.05
(b) Provisions	18	2.42	2.47
(c) Other Non-Current Liabilities	17	-	703.55
Total Non-Current Liabilities		**13,745.61**	**1,070.07**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	-	691.70
(ii) Trade Payables due to	16		
Micro enterprises and small enterprises		14.16	14.66
Other than micro enterprises and small enterprises		128.42	654.92
(iii) Lease Liabilities	14	4,721.41	-
(iv) Other Financial Liabilities	15	507.26	4.02
(b) Other Current Liabilities	17	37.07	270.16
(c) Provisions	18	0.56	0.42
Total Current Liabilities		**5,408.88**	**1,635.88**
TOTAL EQUITY AND LIABILITIES		**21,192.51**	**4,707.56**

See accompanying notes 1-41 to the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner
Place: Mumbai
Date: June 20, 2020

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

Navnit Choudhary
Director
DIN : 00613576
Place: Mumbai
Date: June 20, 2020

Pramod Raghavan
Director
DIN : 07634838

ARSHIYA LIFESTYLE LIMITED MUMBAI

ARSHIYA LIFESTYLE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in INR Lakhs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
(I) INCOME			
(a) Revenue from operations	19	10,097.86	10,165.30
(b) Other income	20	277.87	199.39
(II) Total Income (a) + (b)		**10,375.73**	**10,364.69**
(III) EXPENSES			
(a) Warehousing and handling costs	21	225.78	5,743.49
(b) Business conducting fees	22	1,863.06	3,351.11
(c) Employee benefits expense	23	26.73	23.71
(d) Finance costs	24	2,526.29	358.88
(e) Depreciation expense	25	4,485.73	2.09
(f) Other expenses	26	1,229.30	851.57
(IV) Total expenses (a) to (f)		**10,356.89**	**10,330.85**
(V) Profit before tax (II-IV)		**18.84**	**33.84**
(VI) Tax expense	27	**3.88**	**6.98**
(VII) Profit for the year		**14.96**	**26.86**
(VIII) OTHER COMPREHENSIVE INCOME/(LOSS)			
Remeasurement of defined benefit plans		0.69	(0.35)
Total Other Comprehensive Income/(Loss) for the year		**0.69**	**(0.35)**
(IX) TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**15.65**	**26.51**
(X) Earnings per equity share (Face value per Equity share Rs.10)			
Basic and Diluted	29	1.01	1.81

See accompanying notes 1-41 to the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner
Place: Mumbai
Date: June 20, 2020

ARSHIYA LIFESTYLE LIMITED MUMBAI

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

Navnit Choudhary
Director
DIN : 00613576
Place: Mumbai
Date: June 20, 2020

Pramod Raghavan
Director
DIN : 07634838

ARSHIYA LIFESTYLE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A Equity Share Capital

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Share Capital	148.50	148.50

B Other Equity

(Amount in INR Lakhs)

Particulars	Reserves and Surplus		Deemed Capital Contribution	Total
	Securities Premium	Retained Earnings		
As at March 31, 2018	**962.50**	**(1,117.86)**	**1,805.07**	**1,649.71**
Profit for the year	-	26.86	-	**26.86**
Other comprehensive loss for the year	-	(0.35)	-	**(0.35)**
Fair value difference of security deposits placed by the Parent on behalf of the Company	-	-	173.53	**173.53**
Fair value of financial guarantee provided by the Parent on behalf of the Company			3.36	**3.36**
As at March 31, 2019	**962.50**	**(1,091.35)**	**1,981.96**	**1,853.11**
Profit for the year	-	14.96	-	**14.96**
Other comprehensive income for the year	-	0.69	-	**0.69**
Fair value of financial guarantee provided by the Parent on behalf of the Company	-	-	20.76	**20.76**
As at March 31, 2020	**962.50**	**(1,075.70)**	**2,002.72**	**1,889.52**

C Total Equity

(Amount in INR Lakhs)

Particulars	Total
As at March 31, 2019	2,001.61
As at March 31, 2020	2,038.02

See accompanying notes 1-41 to the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner

Place: Mumbai
Date: June 20, 2020

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

Navnit Choudhary
Director
DIN : 00613576

Pramod Raghavan
Director
DIN : 07634838

Place: Mumbai
Date: June 20, 2020

ARSHIYA LIFESTYLE LIMITED
MUMBAI

ARSHIYA LIFESTYLE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before Tax	**18.84**	**33.84**
Adjustments for:		
Depreciation expense	4,485.73	2.09
Bad debts written off	338.11	5.09
Written back/allowance for doubtful debts	(13.77)	45.80
Finance costs	2,526.29	358.88
Net (gain)/loss on foreign currency transactions and translation	(21.18)	13.40
Sundry balances written back	(5.27)	(0.97)
Interest on Fixed Deposits	(19.21)	(11.12)
Interest on Financial assets carried at amortised cost	(208.46)	(187.30)
Operating profit before working capital changes	**7,101.08**	**259.71**
Movement in working capital:		
Decrease/(Increase) in trade receivables	399.28	(1,517.22)
(Decrease)/Increase in trade payables	(521.74)	531.21
(Increase)/Decrease in other assets	(1,021.79)	272.95
(Decrease)/Increase in other liabilities and provisions	(19.36)	606.26
Cash generated from operations	**5,937.47**	**152.91**
Income taxes paid	(152.62)	(84.46)
Net cash generated from operating activities (A)	**5,784.85**	**68.45**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(1.53)	(6.54)
Investment made in equity shares of a subsidiary company	(1.00)	-
Interest received	-	20.17
Net cash (used in)/generated from investing activities (B)	**(2.53)**	**13.63**
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(691.70)	(1.00)
Payments towards finance lease liabilities	(2,975.91)	-
Interest paid towards finance lease liabilities	(2,187.84)	-
Net cash used in from financing activities (C)	**(5,855.45)**	**(1.00)**
Net increase in cash and cash equivalents (A+B+C)	(73.13)	81.08
Cash and Cash Equivalents at the beginning of the financial year	739.63	658.55
Cash and Cash Equivalents as per Note No. 9	**666.50**	**739.63**

Changes in liability arising from financing activities:

Particulars	(Amount in INR Lakhs)
Current borrowing	
As at April 1, 2019	691.70
Less: Cash flow changes (net)	(691.70)
As at March 31, 2020 (refer note no. 13)	-

See accompanying notes 1-41 to the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner

Place: Mumbai
Date: June 20, 2020

ARSHIYA LIFESTYLE LIMITED MUMBAI

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

Navnit Choudhary
Director
DIN : 00613576
Place: Mumbai
Date: June 20, 2020

Pramod Raghavan
Director
DIN : 07634838

ARSHIYA LIFESTYLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1 Corporate Information

These statements comprises of financial statements of Arshiya Lifestyle Limited (CIN : U74110MH2010PLC201330) for the year ended March 31, 2020. The company is a public company domiciled in India and is incorporated on March 26, 2010 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 301, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

Arshiya Lifestyle Limited (ALL) is a subsidiary of Arshiya Limited (AL), a company listed on Bombay Stock Exchange and National Stock Exchange. Arshiya Lifestyle Limited is a Co-developer under the Special Economic Zones Act, 2005.

The financial statements were authorised for issue in accordance with a resolution of the directors on June 20, 2020.

2 Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 ("the Act").

The Company prepared its financial statements in accordance the Indian Accounting Standards (IND AS) are notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements have been prepared on a historical cost convention and accrual basis and there are no financial assets and liabilities as at the year end which are measured at fair value at on going basis.

2.2 Summary of significant accounting policies

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the Financial Information of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Financial Information are presented in Indian rupee (INR), which is entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to profit or loss for the year/period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is charged to profit or loss when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the profit or loss.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013.

The estimated useful lives are as follows:	
Asset Category	**No. of Years**
Office Equipment	3-5 years
Furniture and Fixtures	10 years

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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(c) Impairment of non financial assets

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

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

Impairment losses are recognized in the profit or loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(d) Leases (applicable from April 1, 2020)

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The Company assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases). For these short term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using its incremental borrowing rate as the discount rate.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

ROU assets and Lease liability have been separately presented in the Balance Sheet note 4a and 14 respectively and lease payments have been classified as financing cash flows.

Under Ind AS 17 (applicable before April 1, 2020)

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the Company, as lessee, bears substantially all the risks and rewards of ownership are classified as finance leases.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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(e) Revenue recognition

Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring services to a customer as specified in the contract, net off allowances, trade discounts and excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and the receivable is recognized when it becomes unconditional. Advance received from customers are recognised contract liabilities which are disclosed in Note no. 17 which is Company's obligation to transfer goods or services to customers which the Company already received the consideration. Contract liabilities are recognised as revenue when the Company performs under the contract.

Revenue from contracts with customers includes warehousing storage income, transportation income and handling, value optimisation and other services. Revenue from rendering of services is recognised on an accrual basis as per the agreed terms.

The following are the specific revenue recognition criteria:

(i) Interest income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

(ii) Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the payment of dividend.

(f) Taxes

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss either in other comprehensive income (OCI) or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Minimum alternate Tax (MAT)

MAT payable for a year is charged to the profit or loss as current tax. The Company recognizes MAT credit available in the profit and loss as deferred tax with a corresponding asset only to the extent that there is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have the probable certainty that it will pay normal tax during the specified period.

(g) Financial Instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Profit or Loss.

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Classification and Subsequent Measurement: Financial Assets

The Company has assessed conditions for classification of the financial assets on the basis of the facts and circumstances that were exist on the date of transition to Ind AS.

(i) Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Fair Value through other comprehensive income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair Value through Profit or Loss (FVTPL)

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

(i) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Profit or Loss.

(ii) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

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Derecognition of financial liabilities

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(h) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(i) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans viz. gratuity,
(b) defined contribution plans viz. provident fund.

Gratuity obligations

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(vi) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

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(j) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Profit or Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(k) Segment Reporting - Identification of Segments

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

(l) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(m) Current/non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(n) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having original maturity of three months or less which are subject to insignificant risk of changes in value.

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(o) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(p) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to Lakhs in two decimal as per the requirement of Schedule III, unless otherwise stated.

3 Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of Right of use assets (ROU), impairment of financial and non-financial assets, provisions and contingent liabilities and fair value measurement.

(i) Right of use assets

IND AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The Company has discounted lease liabilities by applying incremental borrowing rate as discount rate as at April 1, 2019 which is 11.85%.

(ii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost
(b) Trade receivables or any contractual right to receive cash or another financial asset
(c) Financial guarantee contracts which are not measured as at FVTPL

(iii) Impairment of non - financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(iv) Provisions and Contingent Liabilities

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

(v) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(vi) Recent Accounting pronouncements

There has been no new Indian Accounting Standards issued or amendment to the existing Indian Accounting Standards pronounced during the year which is effective from next financial year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

4. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR Lakhs)

Particulars	Furniture and Fixtures	Office Equipment	Total
AT COST			
Balance as at March 31, 2018	-	5.59	5.59
Additions during the year	-	6.54	6.54
Balance as at March 31, 2019	**-**	**12.13**	**12.13**
Additions during the year	1.15	0.38	1.53
Balance as at March 31, 2020	**1.15**	**12.51**	**13.66**
ACCUMULATED DEPRECIATION			
Balance as at March 31, 2018	-	-	-
Depreciation for the year	-	2.09	2.09
Balance as at March 31, 2019	**-**	**2.09**	**2.09**
Depreciation for the year	0.21	2.22	2.43
Balance as at March 31, 2020	**0.21**	**4.31**	**4.52**
Net Carrying value as at March 31, 2019	**-**	**10.04**	**10.04**
Net Carrying value as at March 31, 2020	**0.94**	**8.20**	**9.14**

4a. RIGHT TO USE ASSETS

(Amount in INR Lakhs)

Particulars	Right to use assets (ROU)
Recognised on implementation of Ind AS 116 as at April 1, 2019 (transition date) (Refer note no 2.2 (d) and 30)	20,568.04
Additions during the year	1,286.64
Balance as at March 31, 2020	**21,854.68**
ACCUMULATED DEPRECIATION	
Depreciation for the year	4,483.30
Balance as at March 31, 2020	**4,483.30**
Net Carrying value as at March 31, 2020	**17,371.38**

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5. INVESTMENT

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current-unquoted		
Investments in Equity Instruments of Subsidiary at cost (Refer note below)	1.00	-
Total	**1.00**	**-**

Note:
10,000 (as at March 31, 2019: NIL) Equity shares of Arshiya Panvel FTWZ Services Private Limited of the face value of Rs. 10 each, fully paid up Rs. 1 Lakh (as at March 31, 2019: NIL)
Note on Exemption of preparation of consolidated financial statement as per IND AS 110:
Arshiya Panvel FTWZ Services Private Limited, wholly owned subsidiary of the Company incorporated w.e.f. February 28, 2019. Arshiya Limited, Parent of the Company, produces consolidated financial statement in compliance with Indian Accounting Standards that are available for public use. Thus the Company is exempted from preparing consolidated financial statements.

6. OTHER FINANCIAL ASSETS

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Non Current		
Security deposits placed with sub-lessor (Refer note No.32(v) and 39)	1,940.60	1,732.14
Less: Amount retained by sub-lessor from upfront lease payment payable to the parent	(1,940.60)	(1,732.14)
Total	-	-
(b) Current		
Financial assets carried at amortised cost		
Interest Accrued	25.65	5.45
Unbilled Revenue	6.52	5.44
Security deposit to supplier	0.20	-
Security deposits placed with sub-lessor (Refer note No.32(v) and 39)	3,060.33	3,160.33
Less: Amount retained by sub-lessor from upfront lease payment payable to the parent	(3,060.33)	(3,160.33)
	-	-
Total	**32.37**	**10.89**

7. INCOME TAX ASSETS

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Income Tax Assets	236.80	89.04
Total	**236.80**	**89.04**

8. TRADE RECEIVABLES

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Secured, considered good		
Secured, considered good	71.50	60.93
Unsecured, considered good	1,422.81	2,135.82
Unsecured, considered doubtful	32.03	45.80
	1,526.34	**2,242.55**
Less: Allowance for doubtful debts (expected credit loss allowance) (refer note below)	(32.03)	(45.80)
Total	**1,494.31**	**2,196.75**

Note: Movement in the allowance for doubtful debts (expected credit loss allowance)

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	45.80	-
Add/(Less): Movement during the year	(13.77)	45.80
Balance at the end of the year	**32.03**	**45.80**

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9. CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	0.15	0.52
Balances with banks on current accounts (Refer note below)	666.35	739.11
Total	**666.50**	**739.63**

Note:
Cash and cash equivalents as at March 31, 2020 INR 665.94 Lakhs (March 31, 2019: 739.01 Lakhs) comprise of restricted bank balances held in escrow accounts with bank. These accounts can only be operated with the specific permission / instructions in terms of the Escrow Agreement entered into by the Company with Ascendas Panvel FTWZ Limited.

10. OTHER ASSETS

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Non Current		
- Prepaid Expenses	76.98	104.23
- Prepaid rent	-	948.21
- Financial Guarantee (Refer note below)	127.48	213.78
Total	**204.46**	**1,266.22**
(b) Current		
Advances other than Capital advances		
- Advance to related party (Refer note No.32)	1,046.20	-
- Advance to suppliers	1.88	0.18
Others		
- Prepaid expenses	27.39	27.23
- Prepaid rent	-	247.36
- Balances with Government Authorities	0.45	0.17
- Financial Guarantee (Refer note below)	100.63	119.47
- Others	-	0.58
Total	**1,176.55**	**394.99**

Note:
Corporate guarantee given by the Parent, Arshiya Limited, to Ascendas Panvel FTWZ Limited (formerly known as Arshiya Rail Siding & Infrastructure Limited) (sub-lessor) in respect of warehouses taken on lease by the Company from sub-lessor.

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11. EQUITY SHARE CAPITAL

i. Authorised Share Capital

Particulars	Equity Share of Rs.10 each	
	Number	Amount (in INR Lakhs)
As At March 31, 2019	30,00,000	300.00
As At March 31, 2020	30,00,000	300.00

ii. Issued subscribed and paidup equity shares

Particulars	Number	Amount (in INR Lakhs)
Equity shares of INR 10 each issued, subscribed and fully paidup		
As At March 31, 2019	14,85,000	148.50
As At March 31, 2020	14,85,000	148.50

iii. Rights, Preferences and restrictions attached to equity shares

The Company has only one class of shares, namely, equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv. Shares held by the Parent Company

Out of equity shares issued by the Company, shares held by its parent company are as below:

Particulars	As at March 31, 2020	As at March 31, 2019
Arshiya Limited		
Equity shares	14,85,000	14,85,000
Percentage	100%	100%

v. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	Number	% Holding	Number	% Holding
Equity shares of INR 10 each fully paid Arshiya Limited	14,85,000	100%	14,85,000	100%

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12. OTHER EQUITY

Reserves and Surplus (Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Securities Premium	962.50	962.50
(b) Retained Earnings	(1,075.70)	(1,091.35)
(c) Deemed Capital Contribution	2,002.72	1,981.96
	1,889.52	**1,853.11**

(a) Securities Premium (Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	962.50	962.50
Closing balance	**962.50**	**962.50**

Securities Premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

(b) Retained Earnings (Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	(1,091.35)	(1,117.86)
Profit for the year	14.96	26.86
Other comprehensive income/(loss) for the year	0.69	(0.35)
Closing balance	**(1,075.70)**	**(1,091.35)**

(c) Deemed Capital Contribution (Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	1,981.96	1,805.07
During the year	20.76	176.89
Closing balance	**2,002.72**	**1,981.96**

Deemed Capital contribution comprises notional interest on security deposits received by Ascendas Panvel FTWZ Limited (the Sub-lessor) out of amount payable to the parent and Financial guarantee issued by parent to the Sub-lessor accounted at fair value.

13. BORROWINGS

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Borrowings		
Loans from Related Party (Refer note below)	-	691.70
Total	**-**	**691.70**

Note:
Of the above, Rs. Nil (Previous year Rs. 691.70 Lakhs) is inter corporate loan from Arshiya Limited - Parent Company which is interest free.

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14. LEASE LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Non Current		
Lease Liabilities (Refer note No. 30)	13,665.34	-
Total	**13,665.34**	**-**
(b) Current		
Lease Liabilities (Refer note No. 30)	4,721.41	-
Total	**4,721.41**	**-**

15. OTHER FINANCIAL LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Non Current		
Security Deposits from customers	77.85	364.05
Total	**77.85**	**364.05**
(b) Current		
Security Deposits from customers	507.26	4.02
Total	**507.26**	**4.02**

16. TRADE PAYABLES

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Micro enterprises and small enterprises (Refer note below)	14.16	14.66
Other than micro enterprises and small enterprises	128.42	654.92
Total	**142.58**	**669.58**

A) DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT,2006

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount due to suppliers under MSMED Act, 2006	14.00	14.49
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.16	0.17
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	0.16	0.17

Note:
The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

17. OTHER LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Non current		
Lease equalisation reserve	-	703.55
Total	**-**	**703.55**
(b) Current		
Advance received from Customers	-	220.27
Statutory Liabilities (Refer note below)	37.07	49.89
Total	**37.07**	**270.16**

Note:
Statutory dues includes Tax Deducted at Sources, Provident Fund, Employees' State Insurance Corporation, Profession Tax and Interest payable for delayed payments of statutory dues.

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18. PROVISIONS

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Non Current		
Provision for employee benefits		
Gratuity (Refer note No. 28)	1.67	1.76
Compensated absences	0.75	0.71
	2.42	**2.47**
(b) Current		
Provision for employee benefits		
Gratuity (Refer note No. 28)	0.36	0.28
Compensated absences	0.20	0.14
Total	**0.56**	**0.42**

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19. REVENUE FROM OPERATIONS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of services		
Warehousing services	9,393.20	9,274.01
Handling and other services	704.66	891.29
Total	**10,097.86**	**10,165.30**

20. OTHER INCOME

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on		
- Deposit with bank carried at amortised cost	19.21	11.12
- Financial assets carried at amortised cost (Refer note No. 39)	208.46	187.30
- Income tax refund	2.26	-
Net gain on foreign currency transactions and translation	28.90	-
Allowance for doubtful debts written back	13.77	-
Sundry Balances written back	5.27	0.97
Total	**277.87**	**199.39**

21. WAREHOUSING AND HANDLING COST

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Lease Rent (Refer note No. 30)	-	5,484.68
Handling equipment hire charges	64.78	96.11
Labour Charges	161.00	162.70
Total	**225.78**	**5,743.49**

22. BUSINESS CONDUCTING FEES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Business conducting fees (Refer note No. 38)	1,863.06	3,351.11
Total	**1,863.06**	**3,351.11**

23. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	24.25	21.48
Contribution to provident and other funds	1.27	1.01
Staff welfare expenses	0.68	0.73
Gratuity Expense	0.53	0.49
	26.73	**23.71**

24. FINANCE COSTS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on unwinding deposit (Refer note No. 39)	208.46	187.30
Interest expenses on unwinding lease liabilities (Refer note No. 30)	2,187.84	-
Interest on Delayed Payment of Statutory Dues	3.93	3.27
Interest on Micro enterprises and small enterprises vendors	0.16	0.17
Guarantee Commission expense	125.90	168.14
Total	**2,526.29**	**358.88**

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25. DEPRECIATION EXPENSE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation expense on property, plant and equipment	2.43	2.09
Depreciation expense on right of use of assets (Refer note No. 30)	4,483.30	-
Total	**4,485.73**	**2.09**

26. OTHER EXPENSES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Electric power, fuel and water	374.04	352.99
Repairs and maintenance	54.30	27.92
Payments to auditors (Refer note below)	36.75	52.55
Bad debts written off	338.11	5.09
Legal and professional fees	24.99	22.37
Rates and taxes	27.24	27.81
Travelling and conveyance expenses	81.39	86.47
Allowance for doubtful debts	-	45.80
Security charges	285.65	209.26
Net loss on foreign currency transactions and translation	-	16.36
Miscellaneous expenses	6.83	4.95
Total	**1,229.30**	**851.57**

Note : Payments to auditors

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As auditor		
Audit Fee	12.00	12.00
Other services	24.75	40.55
Total	**36.75**	**52.55**

27. TAX EXPENSES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax	3.88	6.88
Earlier Year's Tax	-	0.10
Total	**3.88**	**6.98**

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28. EMPLOYEE BENEFITS OBLIGATION

(i) Defined contribution plans

The Company has provident fund, Employee State Insurance and Employee's pension scheme which are classified as defined contribution plans. Contributions are made to provident fund for eligible employees at the prescribed rate of the eligible salary as per the regulation. The contributions are made to Regional Provident fund Authority. The obligation of the Company is limited to the amount contributed and it has no further contractual or any contractual obligation. The expense recognised during the year towards defined contribution plan is INR 1.27 Lakhs (March 31, 2019: INR 1.01 Lakhs)

(ii) Defined benefit plans (unfunded)

The Company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn eligible monthly salary proportionately for 15 days salary and multiplied by number of years of service. The Company provides for gratuity liability based on the Actuarial valuation carried out by the independent actuary at the end of the year.

(a) Reconciliation of balances of Defined Benefit Obligation: (Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Defined Benefit Obligation at the begining of the year	2.04	-
Current service cost	0.39	0.41
Interest cost	0.14	0.08
Remeasurements - Actuarial (gain)/ loss		
- Change in demographic assumptions	(0.01)	-
- Change in financial assumptions	(0.33)	-
- experience variance	(0.35)	0.35
Benefits paid	-	-
Liabilities transfer in	0.15	1.20
Defined Benefit obligation at year end	**2.03**	**2.04**

(b) Expenses recognised in the statement of profit and loss : (Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current service cost	0.39	0.41
Interest cost	0.14	0.08
Net Cost	**0.53**	**0.49**
In Other Comprehensive Income		
Remeasurements - Actuarial gain/ (loss) for the year on defined benefits obligations	0.69	(0.35)
Recognised in OCI	**0.69**	**(0.35)**

(c) Actuarial assumptions:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	5.60%	6.95%
Salary escalation rate	5.00%	9.00%
Withdrawal Rate	19.00%	17.00%
Mortality Rate	100% IALM (2012-2014)	100% IALM (2006-2008)

The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated term of the obligations.

Salary escalation assumption has been set based on their estimates of overall long term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

Assumptions regarding withdrawal rates are set based on their estimates of expected long term future employee turnover within the organisations.

(d) Sensitivity Analysis of the defined benefit obligation :

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(I) Impact of the change in discount rate		
Present value of obligation at the end of the period	2.03	2.04
(i) Impact due to increase of 0.50%	0.05	0.06
(ii) Impact due to decrease of 0.50%	(0.05)	(0.06)
(II) Impact of the change in salary increase		
Present value of obligation at the end of the period	2.03	2.04
(i) Impact due to increase of 0.50%	(0.05)	(0.06)
(ii) Impact due to decrease of 0.50%	0.05	0.06
(III) Impact of the change in attrition rate		
Present value of obligation at the end of the period	2.03	2.04
(i) Impact due to increase of 50%	0.06	0.15
(ii) Impact due to decrease of 50%	(0.05)	(0.28)
(IV) Impact of the change in mortality rate		
Present value of obligation at the end of the period	2.03	2.04
(i) Impact due to increase of 10%	(0.00017)	0.00021
(ii) Impact due to decrease of 10%	0.00016	(0.00021)

These plans typically expose the Company to actuarial risks such as: interest risk, longevity risk and salary risk.
(A) Interest risk - A decrease in the discount rate will increase the plan liability.

(B) Longevity risk – The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(C) Salary risk – The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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29. EARNINGS PER EQUITY SHARE

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Basic and diluted earnings per equity share	1.01	1.81
Profit for the year used in calculating basic / diluted earnings per share	14.96	26.86
(b) Weighted average number of equity shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic / diluted earnings per share	14,85,000	14,85,000

30. LEASES

Effective from April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied it to all lease contracts existing as on April 1, 2019 using the modified retrospective method along with the transition option to recognise right of use (ROU) assets at an amount equal to the lease liabilities, opening ROU assets of Rs. 20,568.04 Lakhs recognised (which is net of adjustments in gross opening ROU of Rs. 20,076.01 Lakhs adjustments of opening lease equalisation of Rs. 703.55 Lakhs and prepaid rentals of Rs. 1,195.58 Lakhs) and lease liabilities of Rs. 20,076.01 Lakhs recognised as on April 1, 2019. Accordingly, comparatives for previous year have not been retrospectively adjusted. The effect of this adoption in the financial statements for year ended March 31, 2020 is an increase in depreciation expense by Rs. 4,483.30 Lakhs, increase in finance cost on lease liability by Rs. 2,187.84 Lakhs and decrease in lease rent cost by Rs. 5,779.43 Lakhs, decrease in business conducting fees by Rs. 882.79 Lakhs and decrease in Profit before tax by Rs. 8.92 Lakhs.

(i) Movment of carrying value of right of use of assets

Particulars	Amount in INR Lakhs
Recognised on implementation of Ind AS 116 as at April 1, 2019 (transition date)	**20,568.04**
Additions during the year	1,286.64
Less: Depreciation charge for the year	(4,483.30)
Balance as on March 31, 2020	**17,371.38**

(ii) Movment of Lease liabilities

Particulars	Amount in INR Lakhs
Recognised on implementation of Ind AS 116 as at April 1, 2019 (transition date)	**20,076.01**
Additions during the year	1,286.64
Add: Interest expenses on unwinding lease liabilities	2,187.84
Less: Payment of lease liabilities	(5,163.74)
Balance as on March 31, 2020	**18,386.75**

(iii) Maturity analysis of lease liabilities on undiscounted basis and breakup of lease liabilities included in the Balance Sheet

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019 (Refer below note*)
Future Non-Cancellable minimum lease commitments		
Within one year	5,504.72	4,916.73
More than one year but not less than five years	17,128.67	21,214.21
More than five years	-	-
Total undiscounted lease liabilities	**22,633.39**	**26,130.94**
Lease liabilities included in the Balance sheet		
Current Lease liabilities	4,721.41	-
Non-current Lease liabilities	13,665.34	-
	18,386.75	**26,130.94**

(iv) Amount recognised in the Statement of Profit and Loss

(Amount in INR Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019 (Refer below note*)
Interest on Lease Liabilities	2,187.84	-
Warehousing lease rent	-	5,484.68
Expenses relating to short term leases	148.39	-

(v) Amount recognised in the Statement of Cash Flow

(Amount in INR Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019 (Refer below note*)
Payments towards finance lease liabilities	2,975.91	-
Interest paid towards finance lease liabilities	2,187.84	-

Note:
* The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

31. CONTINGENT LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Bond-cum Legal Undertaking (Refer note below)	1,000.00	1,000.00

Note:
Bond-cum Legal Undertaking has been given to SEEPZ Authority for safeguarding duty liability on goods stored in warehouses within FTWZ on behalf of Unit holders.

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32. RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Nature of Relationship
Arshiya Limited	Parent Company
Arshiya Panvel FTWZ Services Private Limited	100% Subsidiary Company
List of Related party and relationship, with whom transaction have taken place	
Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited)	Fellow Subsidiary

(ii) Transactions with related parties

The following transactions occurred with related parties for sales and purchase of services, and reimbursements.

(Amount in INR Lakhs)

Name	Nature of Transactions	As at March 31, 2020	As at March 31, 2019
Arshiya Limited	Business conducting fees	1,863.06	3,351.11
Arshiya Limited	Income billed to customer on behalf of the Company	1,600.26	1,777.01
Arshiya Limited	Corporate guarantee received	1,666.20	241.87
Arshiya Limited	Corporate guarantee reduced	5,163.75	4,659.61
Arshiya Logistics Services Limited	Warehousing and handling services income	5,656.91	4,838.52
Arshiya Panvel FTWZ Services Private Limited	Investment	1.00	-
Arshiya Limited	Cost sharing	677.05	615.65
Arshiya Limited	Repayment of Borrowings	6,060.33	6,160.33
Arshiya Limited	Interest expense on unwinding deposit	208.46	187.30
Arshiya Limited	Guarantee Commission expense	125.90	168.14

Also see note 12(c) for deemed capital contribution from Arshiya Limited.

(iii) Outstanding balances arising from sales/purchases of services

(Amount in INR Lakhs)

Name	Nature of Relationship	As at March 31, 2020	As at March 31, 2019
Trade Receivables			
Arshiya Logistics Services Limited	Fellow Subsidiary	1,181.02	1,182.89
Unbilled Revenue			
Arshiya Logistics Services Limited	Fellow Subsidiary	5.12	-
Trade Payable			
Arshiya Limited	Parent Company	-	553.40
Advance to supplier			
Arshiya Limited	Parent Company	1,046.19	-

(iv) Outstanding balance arising from Investment

(Amount in INR Lakhs)

Name	Nature of Relationship	As at March 31, 2020	As at March 31, 2019
Investment			
Arshiya Panvel FTWZ Services Private Limited	100% Subsidiary Company	1.00	-

(v) Loans from related parties

(Amount in INR Lakhs)

Name	Nature of Relationship	Particulars	As at March 31, 2020	As at March 31, 2019
Loans from related parties				
Arshiya Limited	Parent Company	Beginning of the year		
		Loans (Liability)	691.70	691.70
		Amount retained by sub-lessor from upfront lease payment payable to the parent (Refer note No.	6,060.33	6,160.33
		Less: Security deposits placed with sub-lessor (Refer note No. 38)*	(6,060.33)	(6,160.33)
		Less: Loan repayments made	(691.70)	
		End of the year		
		Loans (Liability)	-	691.70
		Amount retained by sub-lessor from upfront lease payment payable to the parent (Refer note No.	6,060.33	6,160.33
		Less: Security deposits placed with sub-lessor (Refer note No. 38)*	(6,060.33)	(6,160.33)
Corporate guarantee				
Arshiya Limited	Parent Company	Beginning of the year	26,130.94	30,548.68
		Corporate guarantee taken	1,666.20	241.87
		Corporate guarantee reduced	(5,163.75)	(4,659.61)
		End of the year	**22,633.39**	**26,130.94**

*During the year ended March 31, 2020 Rs. 100.00 Lakhs (March 31, 2019 - Rs. 3,128.96 Lakhs) has been received from sub-lessor which is paid to the Parent.

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33. SEGMENT REPORTING

The Company is primarily engaged in providing end to end supply chain management solutions to its customers in FTWZ. In the opinion of the Company, the entire business is governed by same set of risks and returns and hence, the Company has only one reportable segment, namely, "Operation of warehouses in Free Trade Warehousing Zone". The Company provides services within India and hence, doesn't have any operations in economic environments with different risks and returns. Hence, it is considered that the Company is operating in single geographical segment.

34. FAIR VALUE MEASUREMENTS

Fair value of Financial assets and financial liabilities that are not measured at Fair value, but their value disclosures are required

i. Financial Instruments by Category

(Amount in INR Lakhs)

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	1,494.31	2,196.75	1,494.31	2,196.75
Cash and Cash Equivalents	666.50	739.63	666.50	739.63
Other Financial Assets	32.37	10.89	32.37	10.89
Total	**2,193.18**	**2,947.27**	**2,193.18**	**2,947.27**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	-	691.70	-	691.70
Trade Payables	142.58	669.58	142.58	669.58
Lease Liabilities	18,386.75	-	18,386.75	-
Other Financial Liabilities	585.11	368.07	585.11	368.07
Total	**19,114.44**	**1,729.35**	**19,114.44**	**1,729.35**

The management have assessed that the fair value of trade receivables, cash and cash equivalent, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

ARSHIYA LIFESTYLE LIMITED MUMBAI

35. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and foreign exchange risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), if a customer or counterparty fails to meet its contractual obligations. Customer credit risk is managed and are regularly monitored subject to the Company's established policy, procedures and control. Concentration of Revenues from three customers of the Company is 82.19% of total revenue for the year ended March 31, 2020 and from four customers of the Company is 83.79% of total revenue for the year ended March 31, 2019 out of which revenue from fellow subsidiary is 56.02% and 47.62% respectively. Concentration of trade receivables from one customer of the Company is 77.38% of total trade receivables as at March 31, 2020 and from three customers of the Company is 91.82% of total trade receivable as at March 31, 2019 out of which trade receivable from fellow subsidiary is 77.38% and 52.75% respectively.

(b) Trade Receivables

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. The Company has recognised Rs. 32.03 Lakhs as at March 31, 2020 (Rs. 45.80 Lakhs as at March 31, 2019) allowances for doubtful trade receivables, estimated using ECL model.

(Amount in INR Lakhs)

Financial assets for which loss allowances is measured using the expected credit loss	As at March 31, 2020	As at March 31, 2019
Current		
Trade receivables		
Trade receivables considered good-Secured	71.50	60.93
Trade receivables considered good-Unsecured	1,422.81	2,135.82
Trade receivables considered doubtful-Unsecured	32.03	45.80
Total	**1,526.34**	**2,242.55**
Less: Allowance for doubtful debts (expected credit loss allowance) (refer note below)	(32.03)	(45.80)
Total	**1,494.31**	**2,196.75**

Note: Movement in the allowance for doubtful debts (expected credit loss allowance)

Financial assets for which loss allowances is measured using the expected credit loss	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	45.80	-
Add/(Less): Movement during the year	(13.77)	45.80
Balance at the end of the year	**32.03**	**45.80**

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

(d) Foreign exchange risk

The Company's foreign exchange risk arises from its foreign currency revenues (primarily in US Dollar and Euro). As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian Rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Management of the Company monitor movement in the exchange rate of determine appropriate action.

(i) Significant foreign currency risk exposure relating to trade receivables and balance with bank

(Amount in Lakhs)

Particulars	Foreign Currency amount		Equivalent amount in INR	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade receivables				
USD	2.68	16.02	202.05	1,107.98
EUR	0.03	0.10	2.57	7.54
Advance from customer				
USD	-	0.29	-	20.27
Security deposit from customer				
USD	0.01	-	0.53	-
Balance with banks				
USD	0.03	-	2.43	-

(ii) Sensitivity analysis

1% appreciation/depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in an increase/decrease in Company's profit before tax by Rs. 2.07 Lakhs for the year ended March, 31 2020 and by Rs. 10.95 Lakhs for the year ended March 31, 2019.

ARSHIYA LIFESTYLE LIMITED MUMBAI

(Amount in INR Lakhs)

36. CAPITAL MANAGEMENT

The Company's capital management objectives are:
- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of working capital

The Company monitors capital on the basis of the amount of working capital
The Company's objective for capital management is to maintain an optimum overall, working capital.

37. TAX RECONCILIATION

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Reconciliation of tax expense		
Profit before tax	18.84	33.84
Enacted income tax rate (%) applicable to the Company#	27.82%	27.82%
Tax expenses calculated at enacted income tax rate	5.24	9.41
Effect of expenses that are not deductible	1.09	-
Tax holiday benefit avail under section 80IAB of Income Tax Act, 1961	(6.33)	(9.41)
Tax paid under provision of Minimum Alternate Tax (MAT)*	3.88	6.88
Earlier Year's tax	-	0.10
Income tax expense recognised in profit or loss	3.88	6.98

The tax rate used for reconciliation above is the corporate tax rate of 27.82% at which the Company is liable to pay tax on taxable income under the Indian Tax Law.

* Company has recognised income tax expense as per provision of MAT since Company has availed Tax holiday benefit u/s 80IAB of Income Tax Act, 1961.

ARSHIYA LIFESTYLE LIMITED MUMBAI

38. In February 2018, the Parent Company (AL) has entered into Business Conducting and Services Agreement dated February 04, 2018 resulted in revision in certain terms of agreement executed on February 03, 2018 with the Company in relation to operation of Six Warehouses taken on sub-lease from Ascendas Panvel FTWZ Ltd (APFL) (formerly known as Arshiya Rail Siding and Infrastructure Limited) and operation of Container Yard and Open Yard owned by the Parent Company. The aforesaid Business Conducting and Services Agreement and addendum thereto is to be read in the overall context of Master Lease agreement (MLA) dated February 03, 2018, Sub-Lease agreement dated February 03, 2018 and other agreements and documents entered into in connection with lease of Six Warehouses by the Parent Company, being owner, to APFL and Sub-Lease of the said Six Warehouses by APFL to the Company and transfer of all rights and obligations under the Existing Unit Holder Agreements entered into by the Parent Company to and in favour of the Company. The Parent Company for the administration and operational expediency entrusted the Company to carry out operating and managing the open yard, the container yard and warehouses whereby the Company agreed to undertake and conduct the business of operating and managing the open yard, the container yard and warehouses and provide other services by utilising the infrastructure facilities provided by the Parent Company. The Company shall also receive all the incomes generated from the warehouses and storage yards, bearing the cost and expenses to operate and maintain the warehouses and storage yards. Pursuant to the aforesaid Business Conducting, Services Agreement and addendum thereto, the Company will pay 99% of Excess Revenue / Total Income over all the expenses / charges / provisions to the Parent Company as Business Conducting Fees. Accordingly, the Company has recognised as Business Conducting fees (expenses) Rs. 1,863.06 Lakh during the year ended March 31, 2020 (year ended March 31, 2019: Rs. 3,351.11 Lakh).

39. Ascendas Panvel FTWZ Ltd (formerly known as Arshiya Rail Siding & Infrastructure Limited ('the Sub-lessor' or 'APFL') has retained Rs. 6,060.33 lakhs (March 31, 2019: Rs. 6,160.33 lakhs) from the consideration by way of lump sum rent ('Upfront Lease Payment') payable by APFL to the Company's Parent, Arshiya Limited ('AL') in terms of Master Lease Agreement dated February 03, 2018 (MLA) and considered the same as deposit paid by the Company to APFL for guaranteeing the payment of the Sub-Lease Rent and all other amounts as payable by the Company and/or AL and/or Arshiya Logistics Services Limited [(formerly known as Laxmipati Balaji Exim Trading Limited ('ALSL')) and ALSL are fellow subsidiaries of the Company] under the Sub-Lease Deed and/or all the other Transaction Documents and for the due observance of certain undertakings provided by AL to APFL in relation to payments to be made by AL to its creditors and to certain Government Authorities.

Pursuant to the terms of the aforesaid agreements, the Management has offset the security deposits with APFL and payable to AL. The related finance income and finance expenses arising on discounting of security deposits with APFL and payable to AL are disclosed under Notes 20 and 24, respectively.

40. Impact relating to Global health pandemic on Coronavirus (COVID) 2019:

The Company is registered as a Co-Developer in Free Trade Warehousing Zone (FTWZ) of Arshiya Limited, at Panvel, Maharashtra. The Company is fully functional as per various government notifications / guidelines issued so far. Accordingly, there is no significant impact on the financial statements of the Company. Further, in assessing the recoverability of the carrying amount of receivables, Right of use assets and unbilled revenue, the Company has considered internal and external information up to the date of approval of these financial statements. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

41. Previous year's figures have been regrouped wherever necessary to comply with requirement of Ind AS and Schedule III.

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

ARSHIYA LIFESTYLE LIMITED MUMBAI

Navnit Choudhary
Director
DIN : 00613576
Place: Mumbai
Date: June 20, 2020

Pramod Raghavan
Director
DIN : 07634838

Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

To The Members of Arshiya Logistics Services Limited (Formerly known as Laxmipati Balaji Exim Trading Limited)
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Arshiya Logistics Services Limited (Formerly known as Laxmipati Balaji Exim Trading Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS")and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 36 to the financial statements regarding recoverability of amounts aggregating to Rs. 322.11 lakhs (including unbilled amount of Rs. 255.45 lakhs) as at 31st March, 2020. The Management of the Company is of the view that these amounts are considered to be good and fully recoverable and accordingly, no provision is required to be made in view of the reasons stated in the foregoing note. Our opinion is not modified in respect of this matter

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended; the Company has not paid / provided remuneration to its directors and accordingly provisions of section 197 of the Act is not applicable to the Company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
   i. The Company does not have any pending litigations which would impact its financial position.
   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Manoj H. Dama
Partner
(Membership No. 107723)
UDIN: 20107723AAAAGS6928

Place: Mumbai
Date: 20th June, 2020

Deloitte Haskins & Sells LLP

Chartered Accountants
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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARSHIYA LOGISTICS SERVICES LIMITED (FORMERLY KNOWN AS LAXMIPATI BALAJI EXIM TRADING LIMITED)
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Arshiya Logistics Services Limited (Formerly known as Laxmipati Balaji Exim Trading Limited)** ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Manoj H. Dama
(Partner)
(Membership No. 107723)
UDIN: 20107723AAAAGS6928

Place: Mumbai
Date: 20th June, 2020

**Deloitte
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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARSHIYA LOGISTICS SERVICES LIMITED (FORMERLY KNOWN AS LAXMIPATI BALAJI EXIM TRADING LIMITED)
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees, or security covered under sections 185 and 186 of the Act, and hence reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit to which the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are applicable and hence reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues including Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities though there have been considerable delays in some cases, except ; (a) for Goods and Services Tax (GST) where there has been non-payment of GST on the storage income accrued and unbilled as at the year-end for the period from August 2019 to March 2020 and availment of GST input tax credit as appearing in Form GSTR- 2A (on GST portal) based on expert advice obtained by the Company, and (b) in case of Provident Fund where the dues have not generally been regularly deposited by the Company.

(b) As stated in clause (vii)(a) above and subject to the contention of the Management in respect of non-payment of GST on the storage income accrued and unbilled as at the year-end for the period from August 2020 to March 2020 and availment of GST input tax credit as appearing in Form GSTR - 2A (on GST Portal) being accepted by the GST Authorities, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Services Tax as on 31st March, 2020 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government nor issued any debentures. Hence, reporting under clause 3(viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company has not paid / provided managerial remuneration and accordingly, the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable. Hence, reporting under clause 3(xi) of the Order is not applicable to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standard. The provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Manoj H. Dama
Partner
(Membership No. 107723)
UDIN: 20107723AAAAGS6928

Place: Mumbai
Date: 20th June, 2020

ARSHIYA LOGISTICS SERVICES LIMITED (FORMERLY KNOWN AS LAXMIPATI BALAJI EXIM TRADING LIMITED)
BALANCE SHEET AS AT MARCH 31, 2020

(Amount in INR Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	4	2.55	1.83
(b) Financial Assets			
(i) Investment in subsidiaries	5	6.00	5.00
(ii) Other Financial Assets	6	35.93	32.07
(c) Income Tax Assets	7	325.54	232.51
(d) Other Non-Current Assets	8	4.15	8.37
Total Non-current Assets		**374.17**	**279.78**
Current assets			
(a) Financial assets			
(i) Trade receivables	9	1,045.04	1,593.03
(ii) Cash and cash equivalents	10	121.27	74.46
(iii) Loans	11	-	0.25
(iv) Other Financial Assets	6	255.45	2.83
(b) Other current assets	8	6.60	7.91
Total Current Assets		**1,428.36**	**1,678.48**
TOTAL ASSETS		**1,802.53**	**1,958.26**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	160.00	160.00
(b) Other equity	13	(352.95)	(233.91)
Total Equity		**(192.95)**	**(73.91)**
Liabilities			
Non current liabilities			
(a) Provisions	14	20.63	27.51
Total Non-current Liabilities		**20.63**	**27.51**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables due to	15		
-total outstanding Dues of micro enterprises and small enterprises		67.28	0.30
-total outstanding dues of creditors other than micro enterprises and small enterprises		1,366.58	1,509.60
(ii) Other financial liabilities	16	373.11	380.57
(b) Other current liabilities	17	162.90	108.94
(c) Provisions	14	4.98	5.25
Total Current Liabilities		**1,974.85**	**2,004.66**
TOTAL EQUITY AND LIABILITIES		**1,802.53**	**1,958.26**

See accompanying notes 1 - 37 to the financial statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner

Place: Mumbai
Date: June 20, 2020

ARSHIYA LOGISTICS SERVICES LIMITED MUMBAI

For and on Behalf of the Board of Directors of
Arshiya Logistics Services Limited

Navnit Choudhary
Director
DIN: 00613576
Place: Mumbai
Date: June 20, 2020

Pramod Raghavan
Director
DIN: 07634838

ARSHIYA LOGISTICS SERVICES LIMITED (FORMERLY KNOWN AS LAXMIPATI BALAJI EXIM TRADING LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in INR Lakhs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
(I) INCOME			
(a) Revenue from operations	18	7,249.15	6,795.46
(b) Other income	19	68.89	4.49
(II) Total Income (a) + (b)		**7,318.04**	**6,799.95**
(III) EXPENSES			
(a) Warehousing, Transportation and Handling Costs	20	6,891.59	6,425.44
(b) Employee benefits expense	21	250.89	236.82
(c) Finance costs	22	1.71	0.36
(d) Depreciation expense	23	0.63	0.27
(e) Other expenses	24	292.87	245.94
(IV) Total Expenses (a) to (e)		**7,437.69**	**6,908.83**
(V) Loss before tax (II-IV)		**(119.65)**	**(108.88)**
(VI) Tax expense	25	3.09	-
Loss for the year		**(122.74)**	**(108.88)**
(VII) OTHER COMPREHENSIVE INCOME/(LOSS)			
Remeasurement of defined benefit plans		3.70	(2.82)
Total Other Comprehensive income/(loss) for the year		**3.70**	**(2.82)**
(VIII) TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(119.04)**	**(111.70)**
(IX) Earnings per share (Face value of Rs. 10 each)			
Basic and Diluted	26	(7.67)	(6.80)

See accompanying notes 1 - 37 to the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner
Place: Mumbai
Date: June 20, 2020

ARSHIYA LOGISTICS SERVICES LIMITED MUMBAI

For and on Behalf of the Board of Directors of
Arshiya Logistics Services Limited

Navnit Choudhary
Director
DIN: 00613576
Date: June 20, 2020

Pramod Raghavan
Director
DIN: 07634838

ARSHIYA LOGISTICS SERVICES LIMITED (FORMERLY KNOWN AS LAXMIPATI BALAJI EXIM TRADING LIMITED)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(A) Equity Share Capital

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity share capital	160.00	160.00

(B) Retained earnings

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	(233.91)	(122.21)
Loss for the year	(122.74)	(108.88)
Other Comprehensive Income/(loss) - remeasurement of defined benefit plans	3.70	(2.82)
Closing balance	**(352.95)**	**(233.91)**

(C) Total Equity

(Amount in INR Lakhs)

Particulars	Total
As at March 31, 2019	(73.91)
As at March 31, 2020	(192.95)

See accompanying notes 1 - 37 to the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner
Place: Mumbai
Date: June 20, 2020

ARSHIYA LOGISTICS SERVICES LIMITED MUMBAI

For and on Behalf of the Board of Directors
Arshiya Logistics Services Limited

Navnit Choudhary
Director
DIN: 00613576
Date: June 20, 2020

Pramod Raghavan
Director
DIN: 07634838

ARSHIYA LOGISTICS SERVICES LIMITED (FORMERLY KNOWN AS LAXMIPATI BALAJI EXIM TRADING LIMITED)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax:	**(119.65)**	**(108.88)**
Adjustments for:		
Depreciation expense	0.63	0.27
Sundry balances written back	(1.82)	(0.13)
Bad debts written off	0.81	37.56
Allowance for expected credit losses	130.97	33.45
Net unrealised foreign exchange (gain)/loss	(56.43)	26.26
Interest on Financial assets at amortised cost	(3.86)	(1.77)
Finance costs	1.71	0.36
Operating Loss before working capital changes	**(47.64)**	**(12.88)**
Movement in working capital:		
Decrease / (Increase) in trade receivables	480.41	(565.59)
Increase in other assets	(247.09)	(46.34)
(Decrease) / Increase in trade payables	(74.22)	677.05
(Decrease) / Increase in Other financial liabilities	(14.86)	97.38
Increase / (Decrease) in other liabilities	51.88	(16.45)
(Decrease) / Increase in provisions	(3.45)	6.66
Cash flow after working capital changes	**145.03**	**139.83**
Taxes paid	**(96.12)**	**(151.92)**
Net cash from/(used in) operating activities (A)	**48.91**	**(12.09)**
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(1.35)	(0.74)
Investment made in equity shares of a subsidiary company	(1.00)	(5.00)
Net cash (used in) investing activities (B)	**(2.35)**	**(5.74)**
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Loans repaid/(given) to subsidiary	0.25	(0.25)
Net cash from/(used in) financing activities (C)	**0.25**	**(0.25)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	46.81	(18.08)
Cash and cash equivalents at the beginning of the year	74.46	92.54
Cash and cash equivalents as per Note No. 10	**121.27**	**74.46**

See accompanying notes 1 - 37 to the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner
Place: Mumbai
Date: June 20, 2020

For and on Behalf of the Board of Directors
Arshiya Logistics Services Limited

ARSHIYA LOGISTICS SERVICES LIMITED MUMBAI

Navnit Choudhary
Director
DIN: 00613576
Date: June 20, 2020

Pramod Raghavan
Director
DIN: 07634838

ARSHIYA LOGISTICS SERVICES LIMITED (FORMERLY KNOWN AS LAXMIPATI BALAJI EXIM TRADING LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1 Corporate Information

These statements comprise financial statements of Arshiya Logistics Services Limited (CIN : U93000MH2008PLC183791) for the year ended March 31, 2020. The Company is a Public Company domiciled in India and is incorporated on June 21, 2008 under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 301, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra-400018.

Arshiya Logistics Services Limited is a subsidiary of Arshiya Limited (AL), a Company listed on Bombay Stock Exchange and National Stock Exchange. Arshiya Logistics Services Limited is an integrated logistics and supply chain management solution and value optimisation services provider.

The Company is registered as a service unit in Free Trade Warehousing Zone (FTWZ) of Arshiya Limited, at Panvel, Maharashtra and in FTWZ of Arshiya Northern FTWZ Limited, at Khurja, Uttar Pradesh.

The financial statements were authorised for issue in accordance with a resolution of the directors on June 20, 2020.

2 Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 ("the Act").

The financial statements have been prepared on a historical cost convention and accrual basis and there are no financial assets and liabilities as at the year end which are measured at fair value at on going basis.

2.2 Summary of significant accounting policies

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the Financial Information of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Financial Information are presented in Indian rupee (INR), which is entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to profit or loss for the year/period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is charged to profit or loss when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the profit or loss.
Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013.

The estimated useful lives are as follows:	
Asset Category	**No. of Years**
Office Equipment	3-5 years
Plant and Machinery	3-5 years
Computers	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(c) Impairment of non financial assets

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

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

Impairment losses are recognized in the profit or loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(d) Revenue recognition

Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring services to a customer as specified in the contract, net off allowances, trade discounts and excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and the receivable is recognized when it becomes unconditional. Advance received from customers are recognised contract liabilities which are disclosed in Note no. 17 which is Company's obligation to transfer goods or services to customers which the Company already received the consideration. Contract liabilities are recognised as revenue when the Company performs under the contract.

Revenue from contracts with customers includes warehousing storage income, transportation income and handling, value optimisation and other services. Revenue from rendering of services is recognised on an accrual basis as per the agreed terms.

The following are the specific revenue recognition criteria:

(i) Interest income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

(ii) Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the payment of dividend.

(e) Taxes

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss either in other comprehensive income (OCI) or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

ARSHIYA LOGISTICS SERVICES LIMITED MUMBAI

(iii) Minimum alternate Tax (MAT)

MAT payable for a year is charged to the profit or loss as current tax. The Company recognizes MAT credit available in the profit and loss as deferred tax with a corresponding asset only to the extent that there is probable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have the probable certainty that it will pay normal tax during the specified period.

(f) Financial Instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Profit or Loss.

Classification and Subsequent Measurement: Financial Assets

The Company has assessed conditions for classification of the financial assets on the basis of the facts and circumstances that were exist on the date of transition to Ind AS.

(i) Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Fair Value through other comprehensive income (FVTOCI)

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair Value through Profit or Loss (FVTPL)

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

(i) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Profit or Loss.

(ii) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

ARSHIYA LOGISTICS SERVICES LIMITED MUMBAI

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Derecognition of financial liabilities

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(g) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(h) Convertible financial instrument

Convertible instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

(i) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans viz. gratuity,

(b) defined contribution plans viz. provident fund.

Gratuity obligations

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is included in employee benefit expense in the statement of profit and loss.

ARSHIYA LOGISTICS SERVICES LIMITED MUMBAI

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans
The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(iv) Termination benefits
Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

(j) Provisions, Contingent Liabilities and Contingent Assets
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Profit or Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(k) Borrowing costs
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

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

(m) Earnings per share
Basic earnings per share
Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(n) Current/non current classification
The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

ARSHIYA LOGISTICS SERVICES LIMITED MUMBAI

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(o) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having original maturity of three months or less which are subject to insignificant risk of changes in value.

(p) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(q) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off Lakhs in decimals as per the requirement of Schedule III, unless otherwise stated.

3 Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of financial assets, non-financial assets and provisions, contingent liabilities and fair value measurement.

(i) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost
(b) Trade receivables or any contractual right to receive cash or another financial asset

(ii) Impairment of non - financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(iii) Provisions and Contingent Liabilities

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

(iv) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(v) Recent Accounting pronouncements

There has been no new Indian Accounting Standards issued or amendment to the existing Indian Accounting Standards pronounced during the year which is effective from next financial year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

4. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR Lakhs)

Particulars	Equipments	Computers	Plant & Machinery	Total
At cost				
Balance as at April 1, 2018	1.38	-	-	1.38
Additions	-	0.74	-	0.74
Balance as at March 31, 2019	**1.38**	**0.74**	**-**	**2.12**
Additions	-	0.29	1.06	1.35
Balance as at March 31, 2020	**1.38**	**1.03**	**1.06**	**3.47**
ACCUMULATED DEPRECIATION				
Balance as at April 1, 2018	0.02	-	-	0.02
Depreciation for the year	0.26	0.01	-	0.27
Balance as at March 31, 2019	**0.28**	**0.01**	**-**	**0.29**
Depreciation for the year	0.29	0.29	0.05	0.63
Balance as at March 31, 2020	**0.57**	**0.30**	**0.05**	**0.92**
Net Carrying value as at March 31, 2019	**1.10**	**0.73**	**-**	**1.83**
Net Carrying value as at March 31, 2020	**0.81**	**0.73**	**1.01**	**2.55**

ARSHIYA LOGISTICS SERVICES LIMITED ★ MUMBAI

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in INR Lakhs)

5. INVESTMENT

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current-unquoted		
Investments in Equity Instruments of Subsidiaries at cost (Refer note below)	6.00	5.00
Total	**6.00**	**5.00**

Note:

1.) 50,000 (as at March 31, 2019: 50,000) Equity shares of Arshiya 3PL Services Private Limited of the face value of Rs. 10 each, fully paid up Rs. 5 lakhs (as at March 31, 2019: Rs. 5 lakhs)

2.) 10,000 (as at March 31, 2019: NIL) Equity shares of Arshiya Panvel Logistics Services Private Limited of the face value of Rs. 10 each, fully paid up Rs. 1 lakhs (as at March 31, 2019: NIL)

Note on Exemption of preparation of consolidated financial statement as per IND AS 110:

Arshiya 3PL Services Private Limited and Arshiya Panvel Logistics Services Private Limited, wholly owned subsidiaries of the Company incorporated w.e.f. August 27, 2018 and March 12, 2019 respectively. Arshiya Limited, Parent of the Company, produces consolidated financial statement in compliance with Indian Accounting Standards that are available for public use. Thus the Company is exempted from preparing consolidated financial statements.

6. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Financial assets carried at amortised cost		
Security Deposit with fellow subsidiary (refer note below)	35.93	32.07
Total	**35.93**	**32.07**
Current		
Others		
- Unbilled Revenue	255.45	2.83
Total	**255.45**	**2.83**

Note:

As per terms of Unit holder agreement between Developer and Unit holder, the Company (Unit Holder) has given interest free refundable security deposit to Fellow Subsidiary Company Arshiya Northern FTWZ Limited (Developer) for Free Trade Warehousing Zone at Khurja, Uttar Pradesh.

7. INCOME TAX ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Income Tax Assets	325.54	232.51
Total	**325.54**	**232.51**

8. OTHER ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Others		
- Prepaid rent	4.15	8.37
Total	**4.15**	**8.37**
Current		
Advances other than Capital advances		
- Trade advances to suppliers	0.62	0.38
Others		
- Prepaid rent	4.21	4.22
- Prepaid expenses	1.77	3.31
Total	**6.60**	**7.91**

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ARSHIYA LOGISTICS SERVICES LIMITED (FORMERLY KNOWN AS LAXMIPATI BALAJI EXIM TRADING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

9. TRADE RECEIVABLES

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Secured, considered good	125.95	149.84
Unsecured, considered good	919.09	1,443.19
Unsecured, considered doubtful	214.59	83.62
	1,259.63	**1,676.65**
Less: Allowance for doubtful debts (expected credit loss allowance) (refer note below)	(214.59)	(83.62)
	(214.59)	**(83.62)**
Total	**1,045.04**	**1,593.03**

Note: Movement in the allowance for doubtful debts (expected credit loss allowance)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	83.62	50.17
Add: Impairment losses recognised during the year	130.97	33.45
Balance at the end of the year	**214.59**	**83.62**

10. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks in current accounts	120.86	73.28
Cash on hand	0.41	1.18
Total	**121.27**	**74.46**

Cash and cash equivalents as of March 31, 2020 INR 114.21 Lakhs (March 31, 2019 INR 64.70 Lakhs) comprise of restricted bank balances held in escrow account with banks. These accounts can only be operated with the specific permission / instructions in terms of the Escrow Agreement entered into by the Company with third parties i.e. Ascendas Panvel FTWZ Limited (formerly known as Arshiya Rail Siding & Infrastructure Limited ("APFL") & Bank.

11. LOANS

Particulars	As at March 31, 2020	As at March 31, 2019
Loan to subsidiary (refer note below)	-	**0.25**
Total	**-**	**0.25**

Note:
Interest free loan given to wholly owned Subsidiary Company Arshiya 3PL Services Private Limited to fulfill their initial compliance to open new bank account and the same is receivable on demand.

ARSHIYA LOGISTICS SERVICES LIMITED

12. EQUITY SHARE CAPITAL

(i) Authorised Share Capital

(Amount in INR Lakhs)

Particulars	Equity Share of Rs. 10 each	
	Number	Amount
As at March 31, 2019	2,50,00,000	2,500.00
As at March 31, 2020	2,50,00,000	2,500.00

(ii) Issued, subscribed and fully paid up equity shares

Particulars	Number	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid up		
As at April 1, 2018	**16,00,000**	**160.00**
Issued during the year	-	-
As at March 31, 2019	**16,00,000**	**160.00**
Issued during the year	-	-
As at March 31, 2020	**16,00,000**	**160.00**

(iii) Shares held by the Parent Company

Out of equity shares issued by the Company, shares held by its Parent Company are as below:

Particulars	As at March 31, 2020	As at March 31, 2019
Arshiya Limited	16,00,000	16,00,000

(iv) Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	Number	% holding	Number	% holding
Equity shares of Rs. 10 each fully paid				
Arshiya Limited	16,00,000	100%	16,00,000	100%

(v) Rights, preferences and restrictions

The Company has issued only one class of equity shares, namely, equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ARSHIYA LOGISTICS SERVICES LIMITED ★ MUMBAI

ARSHIYA LOGISTICS SERVICES LIMITED (FORMERLY KNOWN AS LAXMIPATI BALAJI EXIM TRADING LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

13. OTHER EQUITY

Reserves and Surplus (Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings	(352.95)	(233.91)
Total	**(352.95)**	**(233.91)**

Retained Earnings (Amount in INR Lakhs)

Particulars	As at December 31, 2019	As at March 31, 2019
Balance at the beginning of the reporting period	(233.91)	(122.21)
Loss for the year	(122.74)	(108.88)
Other Comprehensive Income/(loss) - remeasurement of defined benefit plans	3.70	(2.82)
Balance at the closing of the reporting period	**(352.95)**	**(233.91)**

14. PROVISIONS

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Provision for employee benefits		
Gratuity (refer note 27)	14.38	18.87
Compensated absences	6.25	8.64
	20.63	**27.51**
Current		
Provision for employee benefits		
Gratuity (refer note 27)	3.35	3.49
Compensated absences	1.63	1.76
Total	**4.98**	**5.25**

15. TRADE PAYABLES

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Trade Payables to Micro enterprises and Small enterprises (refer note below)	67.28	0.30
Trade Payables to Related Parties (refer note 29)	1,189.74	1,236.17
Trade Payables to Others than Micro enterprises and Small enterprises	176.84	273.43
Total	**1,433.86**	**1,509.90**

A) DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount due to suppliers under MSMED Act, 2006	67.28	0.30
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-

Note:
The above information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

ARSHIYA LOGISTICS SERVICES LIMITED MUMBAI

ARSHIYA LOGISTICS SERVICES LIMITED (FORMERLY KNOWN AS LAXMIPATI BALAJI EXIM TRADING LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

16. OTHER FINANCIAL LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Financial Liabilities		
Deposits from customers	373.11	380.57
Total	**373.11**	**380.57**

17. OTHER CURRENT LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Advance received from Customers	50.78	6.21
Others		
Statutory Dues (refer note below)	112.12	102.73
Total	**162.90**	**108.94**

Note:
Statutory dues includes Tax Deducted at Source, Provident Fund, Profession Tax, Employees State Insurance Corporation, Goods and Service Tax and Interest payable for delayed payments of statutory dues.

ARSHIYA LOGISTICS SERVICES LIMITED MUMBAI

18. REVENUE FROM OPERATIONS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Operations		
Warehousing income (Refer note below)	4,666.12	3,106.88
Transportation income	1,432.21	1,695.55
Handling, value optimisation and others services (Refer note below)	1,150.82	1,993.03
Total	**7,249.15**	**6,795.46**

Note:

The Company is empowered to operate the Panvel Zone and free to decide commercial with its clients. The Company can recover charges/ tariff /levies/ any terms & Conditions as per market dynamics. Based upon customer's requirements to fall in line with industry tariff and considering prudent business practice, from July 1, 2019, the Company decided to change its tariff pattern for activities of Outbound handing, Inbound Handling, Value optimization services, and Cycle count and revised tariff schedule has been intimated to clients and all such invoices are accepted by its clients. This re-alignment of various components of charges between Warehousing income / Handling, value optimisation, and others services which were until June 30, 2019, billed as Handling, value optimisation, and others services revenue. Resulting from the change of pricing pattern, there is an increase in Warehousing income revenue to the tune of Rs 537.09 lakhs with a corresponding decrease in Handling, value optimisation, and others services revenue. Hence previous year figures of Warehousing income and Handling, value optimisation, and others services are not comparable to that extent.

19. OTHER INCOME

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on refund from income tax	8.83	-
Financial assets at amortised cost	3.86	1.77
Net gain on foreign currency transactions and translation	50.42	-
Sundry balance written back	1.82	0.13
Miscellaneous income	3.96	2.59
Total	**68.89**	**4.49**

20. WAREHOUSING, TRANSPORTATION AND HANDLING COSTS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Warehouse storage charges	5,280.91	4,516.18
Transportation charges	640.70	763.08
Material Handling and other Charges	969.98	1,146.18
Total	**6,891.59**	**6,425.44**

21. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	224.25	210.36
Compensated absences (refer note 27)	2.32	4.43
Contribution to provident fund and employees state insurance	12.77	11.00
Gratuity expense (refer note 27)	5.10	4.52
Staff welfare expenses	6.45	6.51
Total	**250.89**	**236.82**

22. FINANCE COSTS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on delayed payment of Statutory Dues	1.71	0.36
Total	**1.71**	**0.36**

23. DEPRECIATION EXPENSE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation expenses	0.63	0.27
Total	**0.63**	**0.27**

ARSHIYA LOGISTICS SERVICES LIMITED MUMBAI

ARSHIYA LOGISTICS SERVICES LIMITED (FORMERLY KNOWN AS LAXMIPATI BALAJI EXIM TRADING LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

24. OTHER EXPENSES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent	-	44.61
Repairs and maintenance	0.15	4.70
Insurance	0.04	1.35
Rates and taxes	0.16	0.46
Legal and professional fees	18.24	19.21
Telephone and internet expenses	8.71	15.01
Printing and Stationery Expenses	9.69	1.64
Bank charges	19.76	22.13
Travelling and conveyance expenses	1.04	0.82
Audit Fees (Refer note (a) below)	26.67	23.25
Advertisement	0.29	1.71
Temporary shed hire charges	70.66	19.85
Bad Debts written off	0.81	37.56
Net loss on foreign currency transactions and translation	-	14.04
Postage and courier charges	0.53	0.67
Allowance for expected credit losses	130.97	33.45
Miscellaneous expenses	5.15	5.48
Total	**292.87**	**245.94**

(a) Audit Fees

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As auditor		
Audit Fee	12.00	12.00
Other services	14.67	11.25
Total	**26.67**	**23.25**

25. TAX EXPENSES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax	3.09	-
Total	**3.09**	**-**

26. EARNINGS PER SHARE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Basic and diluted earnings per equity share	(7.67)	(6.80)
Loss for the year attributable to the equity holders of the Company used in calculating basic / diluted earnings per share	(122.74)	(108.88)
(b) Weighted average number of equity shares used as the denominator	16,00,000	16,00,000

ARSHIYA LOGISTICS SERVICES LIMITED MUMBAI

27. EMPLOYEE BENEFITS OBLIGATION

(i) Defined contribution plans

The Company has provident fund, Employee State Insurance and Employee's pension scheme which are classified as defined contribution plans. Contributions are made to provident fund and ESIC for employees at the rate prescribed of the eligible salary as per the regulation. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the year towards defined contribution plan is INR 12.77 Lakhs (March 31, 2019: INR 11.00 Lakhs)

(ii) Defined benefit plans

Gratuity

The Company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

(a) Reconciliation of opening and closing balances of Defined Benefit Obligation: **(Amount in INR Lakhs)**

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year Defined Benefit Obligation	22.36	15.95
Current service cost	3.54	3.34
Interest cost	1.56	1.18
Remeasurements - Actuarial (gain)/ loss		
- Change in demographic assumptions	(0.05)	(0.34)
- Change in financial assumptions	(2.75)	2.94
- experience variance	(0.90)	0.22
Benefits paid	(6.03)	(0.92)
Defined Benefit obligation at year end	**17.73**	**22.36**

(b) Expenses recognised in the statement of profit and loss : **(Amount in INR Lakhs)**

Particulars	As at March 31, 2020	As at March 31, 2019
Current service cost	3.54	3.34
Interest cost	1.56	1.18
Net Cost	**5.10**	**4.52**
In Other Comprehensive Income		
Remeasurements - Actuarial gain/ (loss) for the year on defined benefits obligations	3.70	(2.82)
Income / (Loss) for the period recognised in OCI	**3.70**	**(2.82)**

(c) Actuarial assumptions: **(Amount in INR Lakhs)**

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	5.60%	6.95%
Salary escalation rate	5.00%	9.00%
Withdrawal Rate	19.00%	17.00%
Mortality Rate	100% IALM (2012-2014)	100% IALM (2006-2008)

The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated term of the obligations.

Salary escalation assumption has been set based on their estimates of overall long term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

Assumptions regarding withdrawal rates are set based on their estimates of expected long term future employee turnover within the organisations.

ARSHIYA LOGISTICS SERVICES LIMITED ★ MUMBAI

(d) Sensitivity Analysis of the defined benefit obligation :

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(I) Impact of the change in discount rate		
Present value of obligation at the end of the period	17.74	22.37
(i) Impact due to increase of 0.50%	0.42	0.59
(ii) Impact due to decrease of 0.50%	(0.44)	(0.62)
(II) Impact of the change in salary increase		
Present value of obligation at the end of the period	17.74	22.37
(i) Impact due to increase of 0.50%	(0.44)	(0.60)
(ii) Impact due to decrease of 0.50%	0.42	0.58
(III) Impact of the change in attrition rate		
Present value of obligation at the end of the period	17.74	22.37
(i) Impact due to increase of 50%	0.27	1.02
(ii) Impact due to decrease of 50%	(0.17)	(1.97)
(IV) Impact of the change in mortality rate		
Present value of obligation at the end of the period	17.74	22.37
(i) Impact due to increase of 10%	(0.00070)	0.0032
(ii) Impact due to decrease of 10%	0.00070	(0.0032)

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

(A) Interest risk - A decrease in the discount rate will increase the plan liability.

(B) Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(C) Salary risk - The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

28. CONTINGENT LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Bond-cum Legal Undertaking (refer note 1 below)	15,000.00	15,000.00
Input credit used of Goods and Services Tax (refer note 2 below)	40.67	-
Goods and Services Tax (GST) payables on unbilled revenue (refer note 36)	45.98	-

Notes:

1. Bond-cum Legal Undertaking has been given to SEEPZ Authority for safeguarding duty liability on goods stored in FTWZ on behalf of customers.

2. The Company has availed GST input credit appearing in Form GSTR- 2A (on GST portal) for its payment of GST liability, such invoices are in the name of Company but not recorded in Books. These GST Credits pertains to the services provided by Shipping Company to certain customers of the Company, where the Company is Consignee. The actual expenses are borne by the customers of the Company as primary obligators, also invoices of those expenses are not available with the Company. The Company has utilized the aforesaid GST input credit based on expert advice obtained by the Company.

ARSHIYA LOGISTICS SERVICES LIMITED ★ MUMBAI

29. RELATED PARTIES TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Nature of Relationship
Parent Company	
Arshiya Limited	Parent Company
List of related parties and relationship, with whom transaction have taken place	
Arshiya 3PL Services Private Limited	Wholly owned Subsidiaries
Arshiya Panvel Logistics Services Private Limited	Wholly owned Subsidiaries
Arshiya Lifestyle Limited	Fellow Subsidiaries
Arshiya Northern FTWZ Limited	Fellow Subsidiaries
Arshiya Rail Infrastructure Limited	Fellow Subsidiaries

(ii) Transactions during the year with related parties

The following transactions occurred with related parties for purchase of services, investments, security deposits and reimbursements.

(Amount in INR Lakhs)

Name	Nature of Relationship	Nature of Transaction	Year ended March 31, 2020	Year ended March 31, 2019
Arshiya Lifestyle Limited	Fellow Subsidiary	Warehousing and Handling Costs	5,656.90	4,838.52
Arshiya Northern FTWZ Limited	Fellow Subsidiary	Warehousing and Handling Costs	90.30	325.05
Arshiya Northern FTWZ Limited	Fellow Subsidiary	Security deposits	-	45.00
Arshiya 3PL Services Private Limited	Wholly owned Subsidiary	Investments	-	5.00
Arshiya Panvel Logistics Services Private Limited	Wholly owned Subsidiary	Investments	1.00	-

(iii) Outstanding balances arising from sales/purchases of services

(Amount in INR Lakhs)

Name	Nature of Relationship	As at March 31, 2020	As at March 31, 2019
Trade Payables			
Arshiya Lifestyle Limited##	Fellow Subsidiary	1,186.14	1,182.89
Arshiya Northern FTWZ Limited	Fellow Subsidiary	3.60	53.28
Security Deposits			
Arshiya Northern FTWZ Limited	Fellow Subsidiary	45.00	45.00

(iv) Loans to/from related parties

(Amount in INR Lakhs)

Name	Nature of Relationship	Particulars	As at March 31, 2020	As at March 31, 2019
Loans to related parties##				
Arshiya 3PL Services Private Limited	Wholly owned Subsidiary	Beginning of the year	0.25	-
		Loans given	36.41	0.25
		Loan repayments received	(36.66)	-
		End of the year	-	**0.25**
Loans from related parties				
Arshiya Limited	Parent Company	Beginning of the year	-	-
		Loans received #	303.94	168.62
		Loan repayments made/ adjusted #	(303.94)	(168.62)
		End of the year	-	-
Arshiya Rail Infrastructure Limited	Fellow Subsidiary	Beginning of the year	-	0.23
		Loan repayments made/ adjusted*	-	(0.23)
		End of the year	-	-

As per the arrangements, inter-alia, entered into between the Company, Arshiya Limited (AL) and Arshiya Lifestyle Limited (ALL) , a fellow subsidiary, the balance receivable from AL has been adjusted against balance payable to ALL and the net payable to ALL has been disclosed.

These loans have been granted to the above entities for the purpose of their business.

* Payment made on behalf of Arshiya Rail Infrastructure Limited

30. SEGMENT REPORTING

The Company is primarily engaged in providing integrated logistics and supply chain management solution and value optimisation services to its customers in Free Trade Warehouse Zone (FTWZ). In the opinion of the Company, the entire business is governed by same set of risks and returns and hence, the Company has only one reportable business segment, namely, "Operation of Free Trade Warehousing Zone". The Company provides services within India and hence, doesn't have any operations in economic environments with different risks and returns. Hence, it is considered that the Company is operating in single geographical segment.

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31. FAIR VALUE MEASUREMENTS

Fair value of financial assets and financial liabilities that are not measured at Fair value, but their value disclosures are required.

Financial Instruments by Category

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	1,045.04	1,593.03	1,045.04	1,593.03
Cash and Cash Equivalents	121.27	74.46	121.27	74.46
Loans	-	0.25	-	0.25
Other Financial Assets	291.38	34.90	291.38	34.90
Total	**1,457.69**	**1,702.64**	**1,457.69**	**1,702.64**
FINANCIAL LIABILITIES				
Amortised cost				
Trade Payables	1,433.86	1,509.90	1,433.86	1,509.90
Other financial liabilities	373.11	380.57	373.11	380.57
Total	**1,806.97**	**1,890.47**	**1,806.97**	**1,890.47**

The management have assessed that the fair value of trade receivables, cash and cash equivalent, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

32. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and foreign exchange risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), if a customer or counterparty fails to meet its contractual obligations. Customer credit risk is managed and are regularly monitored subject to the Company's established policy, procedures and control. Concentration of Revenues from two customers of the Company is 25% and 15% of Company's net sales for the year ended March 31, 2020 and March 31, 2019 respectively. Concentration of Receivables from one customers of the Company is 14% for the year ended March 31, 2020 and from three customers of the Company were 32% of total trade receivables for the year ended March 31, 2019.

(b) Trade receivables

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Financial assets for which loss allowances is measured using the expected credit loss model	As at March 31, 2020	As at March 31, 2019
Current		
Trade receivables		
Secured, considered good	125.95	149.84
Unsecured, considered good	919.09	1,443.19
Unsecured, considered doubtful	214.59	83.62
	1,259.63	**1,676.65**
Less: Allowance for doubtful debts (expected credit loss allowance) (refer note below)	(214.59)	(83.62)
	1,045.04	**1,593.03**

Note: Movement in the allowance for doubtful debts (expected credit loss allowance)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	83.62	50.17
Add: Impairment losses recognised during the year	130.97	33.45
Balance at the end of the year	**214.59**	**83.62**

(c) Liquidity risk

The Company closely monitors its risk of shortage of funds. The Company assessed the concentration of risk with respect to its debt as low. As at reporting date the Company does not have any loans and all other financial liabilities of the Company are short term. Further, the Company believes that carrying value of all of its financial liabilities approximates to its fair value.

(d) Foreign exchange risk

The Company's foreign exchange risk arises from its foreign currency revenues primarily in US Dollar and Euro. As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian Rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies has changed in recent periods and may continue to fluctuate in the future.

(i) Significant foreign currency risk exposure relating to trade receivables and balance with bank

(Amount in Lakhs)

Particulars	Foreign Currency amount		Equivalent amount in INR	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade receivables				
USD	15.65	23.86	1,180.13	1,650.18
EUR	0.40	0.26	33.58	20.25
Advance from customer				
USD	0.12	0.09	9.28	6.18
EUR	0.0003	0.0003	0.02	0.02
AED	0.0368	-	0.75	-
Security deposits from customer				
USD	1.11	0.73	83.62	50.66
EUR	0.02	0.02	1.44	1.35
AED	0.28	0.35	5.71	6.65
Balance with banks				
USD	0.03	-	2.25	-

(ii) Sensitivity analysis

1% appreciation/depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in an increase/decrease in Company's profit before tax by Rs. 11.15 Lakhs for the year ended March, 31 2020 and by Rs. 16.06 Lakhs for the year ended March 31, 2019.

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33. TAX RECONCILIATION

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Reconciliation of tax expense		
Loss before tax	(119.65)	(108.88)
Enacted income tax rate (%) applicable to the Company#	27.82%	27.82%
Tax expenses calculated at enacted income tax rate	(33.29)	(30.29)
Effect of expenses that are not deductible	0.48	0.06
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	32.81	30.23
Tax paid under provision of Minimum Alternate Tax (MAT)*	3.09	-
Income tax expense recognised in profit or loss	3.09	-

The tax rate used for reconciliation above is the corporate tax rate of 27.820% at which the Company is liable to pay tax on taxable income under the Indian Tax Law.
* Company has recognised income tax expense as per provision of MAT.

34. CAPITAL MANAGEMENT

The Company's capital management objectives are:
- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of working capital

The Company monitors capital on the basis of the amount of working capital
The Company's objective for capital management is to maintain optimum overall working capital.

35. Impact relating to Global health pandemic on Coronavirus (COVID) 2019:

The Company is registered as a service unit in Free Trade Warehousing Zone (FTWZ) of Arshiya Limited, at Panvel, Maharashtra and in FTWZ of Arshiya Northern FTWZ Limited, at Khurja, Uttar Pradesh. The Company is fully functional as per various government notifications / guidelines issued so far.

Accordingly, there is no significant impact on the financial statements of the Company. Further, in assessing the recoverability of the carrying amount of receivables and unbilled revenue, the Company has considered internal and external information up to the date of approval of these financial statements. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.
The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

35a. PREPARATION OF FINANCIAL STATEMENTS ON GOING CONCERN BASIS

The Company has incurred a net loss of Rs.122.74 lakhs during the year ended March 31, 2020, and had also incurred losses in the past years. The Company's current liabilities at Rs. 1,974.85 lakhs (including payables to fellow subsidiaries of Rs. 1,189.74 lakhs) has exceeded its current assets at Rs. 1,428.36 lakhs as on March 31, 2020 by Rs. 546.49 Lakhs. The accumulated deficit of Rs. 352.95 lakhs in Other equity has exceeded share capital at Rs. 160.00 lakhs resulting in net worth being negative at Rs. 192.95 lakhs as represented by total equity.
However, the Company's majority of the expenses pertains to warehousing and Handling costs payable to fellow Subsidiaries which is Rs. 5,747.20 lakhs for the year ended March 31, 2020 and significant portion of liability is also towards such expenses and overall Panvel FTWZ operation including operations carried out by the fellow subsidiaries is profitable. Further, the focussed emphasis of the Government on the 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 has been well recognised by many existing clients and new clients. This has thrown up a large opportunity for which the Company is now bracing itself and the Company is confident of seeing positive results in the coming years. The Company also focusing on a higher margin business and focusing on cost control at Panvel and Khurja FTWZ. Having regard to the foregoing, the management of the Company believes that there is no concern about the Company's ability to continue as a going concern and financial statements have been prepared on a going concern basis.

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

The Company has initiated recovery process for the foregoing dues by way of auction of the goods in the custody of the Company based on the notification by SEZ authority. As a process, the Company has submitted request to competent authority of SEZ to allow auction of goods in 33 containers out of total 64 containers and the valuer approved by the Customs authority has determined value of entire goods in 64 containers at Rs 580.58 lakhs. Further, subsequent to the year end, the Company has identified a buyer and has entered into the Memorandum of Understanding (MOU) for sale of goods in 33 containers for Rs. 276 Lakhs, against which the Company has received an advance of Rs. 75 Lakhs and the Company is in process of completion of transactions.

Since, the value of the goods in custody of the Company is sufficient to recovery Company's dues and statutory levies including Goods and Services Tax amounting to Rs. 45.98 lakhs leviable on unbilled revenue, in view of the Management of the Company foregoing receivables from those customers are fully recoverable and there are no provisions required against those receivables.

37. Previous year's figures have been regrouped wherever necessary to comply with requirement of Ind AS and Schedule III.

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For and on Behalf of the Board of Directors of Arshiya Logistics Services Limited

Navnit Choudhary	Pramod Raghavan
Director	Director
DIN: 00613576	DIN: 07634838
Place: Mumbai	
Date: June 20, 2020	