INDEPENDENT AUDITORS' REPORT

To the Members of
Arshiya 3PL Services Private Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Arshiya 3PL Services Private Limited ('the Company')**, which comprise the Balance Sheet as at 31st March 2023, 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, 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 2023, 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 Opinion

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

Material uncertainty related to going concern

We draw attention to Note.31 of the financial statements, which indicates that the Company has accumulated losses of Rs.233.11 Lakh as on March 31, 2023 and the Company's current liabilities exceeded its current assets by Rs. 277.43 Lakh, further the Company net worth has been eroded. These conditions, along with other matters as set forth in above Note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of 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.

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

   b. 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;

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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. 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, 2023 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

f. The matters described in paragraphs above in 3 under the Material Uncertainty Related to Going Concern, in our opinion, may have an adverse effect on the functioning of the Company;

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

h. In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year hence the provisions of section 197 of the Act is not applicable.

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 and representations given to us :

   i. The Company does not have pending litigations which would impact 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.

   iv. (a) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate

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Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (i) (iv) (a) & (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN- 23109859BGXRUB5008

Place: Mumbai
Date: 29th May, 2023

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"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 3PL Services Private Limited on the financial statements for the year ended 31st March 2023)

(i) The Company does not have Property, Plant and Equipment and Intangible Assets, therefore the provisions of Clause 3 (i) (a), (b), (c) and (d) of the Order are not applicable to the Company.

(b) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) The nature of business of the Company does not require any inventory during the year therefore the provisions of Clause 3 (ii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, at any point of the year, the Company has not been sanctioned any working capital facility from bank or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) In our opinion and according to the information and explanations provided to us, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties during the year. Hence, the Provisions of Clause 3(iii) (a), (b), (c), (d), (e), (f) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has not made any made investments or loan, given any guarantee or security to the parties covered under section 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause 3 (v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and according to the information and explanations provided to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.

(vii) (a) According to the records of the company and information and explanations given to us, the Company is not regular, in depositing undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess and any other material statutory dues to the appropriate authorities, as applicable, during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.

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(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub clause (a) which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and representation given to us by the management, there are no such transactions that recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Therefore the Provisions of Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or other borrowings to any lender. The borrowing from holding and ultimate holding company is interest free.

(b) In our opinion, and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given and records examined by us, the company has not raised any money by way of term loans, therefore the provisions of Clause 3(viii) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, prima facie, funds raised on short-term basis amounting to Rs. 277.43 Lakh have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does have any subsidiaries, associates or joint ventures, therefore the Provisions of Clause 3(ix)(e) and (f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore the Provisions of Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore the Provisions of Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

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Continuation sheet...

(c) The Company is not required to have Whistle Blower Mechanism under applicable rules and regulations. As represented to us by the management, there are no whistle blower complaints received by the company 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 requirement of section 177 of the companies Act, is not applicable to the company. The Company has entered into transactions with related parties in compliance with the provisions of sections 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) As per section 138 of the Companies Act, 2013, the Company does not have to appoint an internal auditor, therefore, the provisions of Clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in Section 192 of the Act. Therefore, the provisions of Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

(c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) In our opinion, and according to the information and explanations provided to us, the Group has no Core Investment Company (CIC) as part of the group.

(xvii) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses in the immediately preceding financial year amounting to Rs. 8.60 lakhs, however there is no cash losses during the current financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of Paragraph 3 of the Order are not applicable to the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting and the various conditions specified under paragraph "Material uncertainty related to Going Concern" above, which indicates and

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causes us to believe that material uncertainty exists as on the date of the audit report that the Company is capable of meeting all of its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) According to the information and explanations given to us, provisions of section 135 are not applicable to the Company. Therefore, provisions of clause (xx) of the Order are not applicable to the Company.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN- 23109859BGXRUB5008

Place: Mumbai
Date: 29th May, 2023

CHATURVEDI & SHAH LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Continuation sheet...

"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 3PL Services Private Limited on the financial statements for the year ended 31st March 2023.

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

We have audited the internal financial controls with reference to financial statements of **Arshiya 3PL Services Pvt. Limited** ("the Company") as of 31st March, 2023 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 reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the 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 reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls reference to financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls reference to financial statements and their operating effectiveness. Our audit of internal financial controls reference to financial statements included obtaining an understanding of internal financial controls reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 reference to financial statements.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

Meaning of Internal Financial Controls reference to Financial Statements

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 reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 reference to Financial Statements

Because of the inherent limitations of internal financial controls reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls reference to financial statements to future periods are subject to the risk that the internal financial control reference to financial statements 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 reference to financial statements and such internal financial controls reference to financial statements were operating effectively as at 31st March, 2023, based on the internal control reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN- 23109859BGXRUB5008

CHATURVEDI & SHAH LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Place: Mumbai
Date: 29th May, 2023

Continuation sheet...

ARSHIYA 3PL SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
(a) Financial Assets			
(i) Other Financial Assets	4	40.17	35.86
(b) Other Non-Current Assets	5	9.95	20.24
Total Non-current Assets		**50.12**	**56.10**
Current assets			
(a) Financial Assets			
(i) Trade Receivables	6	135.03	11.82
(ii) Cash and Cash Equivalents	7	5.72	0.69
(b) Other Current Assets	5	5.10	5.33
Total Current Assets		**145.85**	**17.84**
TOTAL ASSETS		**195.97**	**73.94**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	8	5.00	5.00
(b) Other Equity	9	(233.11)	(249.98)
Total Equity		**(228.11)**	**(244.98)**
Liabilities			
Non current liabilities			
(a) Provisions	14	0.80	1.11
Total Non-current Liabilities		**0.80**	**1.11**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	131.90	171.07
(ii) Trade Payables	11		
(A) Total outstanding dues of Micro and Small Enterprises		6.08	1.20
(B)Total outstanding dues of creditors Other than Micro and Small Enterprises		211.86	88.97
(iii) Other Financial Liabilities	12	63.94	50.96
(b) Other Current Liabilities	13	9.26	5.37
(c) Provisions	14	0.24	0.24
Total Current Liabilities		**423.28**	**317.81**
TOTAL EQUITY AND LIABILITIES		**195.97**	**73.94**

See accompanying notes 1 to 42 to the financial statements

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Reg. No. 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859
Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on Behalf of the Board of Directors of
Arshiya 3 PL Services Private Limited

Sarvothama Neelaya Shetty
Director
DIN: 08171762

Navnit Choudhary
Director
DIN: 00613576

ARSHIYA 3PL SERVICES PRIVATE LIMITED * MUMBAI

ARSHIYA 3PL SERVICES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
(I) INCOME			
(a) Revenue from operations	15	349.78	149.07
(b) Other income	16	5.56	4.95
(II) Total Income (a) + (b)		**355.34**	**154.02**
(III) EXPENSES			
(a) Warehousing, Transportation and Handling Cost	17	213.03	144.87
(b) Employee benefits expense	18	9.66	12.82
(c) Other expenses	19	116.06	4.93
(IV) Total Expenses (a) to (c)		**338.75**	**162.62**
(V) Profit/Loss before tax (II-IV)		**16.59**	**(8.60)**
(VI) Tax expense			
Current tax		-	-
Profit / (Loss) for the year		**16.59**	**(8.60)**
(VII) Other Comprehensive Income			
Remeasurement of gains / (losses) defined benefit plans		0.28	(0.08)
Total Comprehensive Income for the Year		**0.28**	**(0.08)**
(VIII) Total Comprehensive Income for the Year		**16.87**	**(8.68)**
(IX) Earnings per share (Face value of Rs. 10 each)			
Basic and Diluted	20	33.18	(17.20)

See accompanying notes 1 to 42 to the financial statements

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Reg. No. 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859
Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP * CHARTERED ACCOUNTANTS * MUMBAI

For and on Behalf of the Board of Directors of
Arshiya 3 PL Services Private Limited

Sarvothama Neelaya Shetty
Director
DIN: 08171762

Navnit Choudhary
Director
DIN: 00613576

ARSHIYA 3PL SERVICES PRIVATE LIMITED * MUMBAI

ARSHIYA 3PL SERVICES PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(A) Equity Share Capital

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity share capital	5.00	5.00

(B) Retained earnings

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(249.98)	(241.30)
Profit / (Loss) for the year	16.59	(8.60)
Other Comprehensive Income - remeasurement of defined benefit plans	0.28	(0.08)
Closing balance	**(233.11)**	**(249.98)**

(C) Total Equity

(Amount in INR Lakhs)

Particulars	Total
As at March 31, 2022	(244.98)
As at March 31, 2023	(228.11)

See accompanying notes 1 to 42 to the financial statements
As per our report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859
Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on Behalf of the Board of Directors of
Arshiya 3 PL Services Private Limited

Sarvothama Neelaya Shetty
Director
DIN: 08171762

Navnit Choudhary
Director
DIN: 00613576

ARSHIYA 3PL SERVICES PRIVATE LIMITED ★ MUMBAI

ARSHIYA 3PL SERVICES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before tax:	**16.59**	**(8.60)**
Adjustments for:		
Net foreign exchange loss	3.78	1.86
Interest on Financial assets at amortised cost	(4.30)	(3.84)
Operating loss before working capital changes	**16.07**	**(10.58)**
Movement in working capital:		
(Increase)/ Decrease in financial and other assets	(122.80)	13.16
Increase/ (Decrease) in financial and other liabilities	144.61	(3.50)
Cash flow after working capital changes	**37.88**	**(0.92)**
Direct taxes paid	6.32	(3.48)
Net cash generated from / (used in) operating activities (A)	**44.20**	**(4.40)**
(B) CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of short term borrowings (net)	(39.17)	(5.20)
Net cash (used in) financing activities (B)	**(39.17)**	**(5.20)**
Net Increase / (decrease) in Cash and cash equivalents (A+B)	5.03	(9.60)
Cash and cash equivalents at the beginning of the year	0.69	10.29
Cash and cash equivalents at the end of the year (Refer Note No. 7)	**5.72**	**0.69**

Note:- Changes in liabilities arising from financing activities :

Particulars	March 31, 2023
Short term borrowing (Refer Note no. 10)	
As at April 01, 2022	171.07
Add: Cash flow (net)	(39.17)
As at March 31, 2023	**131.90**

See accompanying notes 1 to 42 to the financial statements
As per our report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859
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For and on Behalf of the Board of Directc
Arshiya 3 PL Services Private Limited

Sarvothama Neelaya Shetty
Director
DIN: 08171762

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Director
DIN: 00613576

ARSHIYA 3PL SERVICES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate Information

These statements comprises of financial statements of Arshiya 3PL Services Private Limited (CIN : U74999MH2018PTC313041) for the year ended March 31, 2023. The Company is a private limited company domiciled in India and is incorporated on 27th August, 2018 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 205 & 206, Level 2, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

Arshiya 3PL Services Private Limited is a subsidiary of Arshiya Logistic Services Limited (ALSL), a subsidiary of Arshiya Limited (AL) company listed on Bombay Stock Exchange and National Stock Exchange.

Arshiya 3PL Services Private Limited (the Company) 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 Northern FTWZ Limited, at Khurja, Uttar Pradesh.

The financial statements of the Company for the year ended March 31, 2023 were approved and adopted by board of directors in their meeting held on May 29, 2023.

2 Significant Accounting Policies and critical Accounting Estimate & Judgement

2.1 Basis of preparation

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

The financial statements are prepared on a historical cost convention basis, except for certain financial assets and liabilities measured at fair value.

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 lakh as per the requirement of schedule III, unless when otherwise indicated.

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) Revenue recognition

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

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring 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.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as a part of contract.

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The following are the specific revenue recognition criteria:

(i) Free Trade and Warehousing Zone operations

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.

(ii) Interest income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

(iii) 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.

(c) 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.

(d) 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. However, trade receivables that do not contain a significant financing component are measured at transactions price.

(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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(ii) Financial assets - Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-

a) Financial assets at fair value

b) Financial assets at 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.

(iii) 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.

(iv) 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.

(e) 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.

(f) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts future case receipts or payments through the expected life of financial instruments, or where appropriate, a shorter period.

(g) 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.

(h) 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.

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(i) 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.

(j) 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.

(k) 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.

(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.

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(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.

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 of the Companies Act 2013, 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 valuation of deferred tax assets.

3.1 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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3.2 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.

3.3 Recoverability of trade receivable / ECL

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.

3.4 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.

3.5 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.

Valuation of deferred tax assets

The Company reviews the amount of deferred tax assets at the end of each reporting period.

3A Recent Accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 01, 2023.

- Ind AS 101 – First time adoption of Ind AS
- Ind AS 102 – Share based Payment
- Ind AS 103 – Business Combination
- Ind AS 107 – Financial Instruments Disclosures
- Ind AS 109 – Financial Instrument
- Ind AS 115 – Revenue from Contracts with Customers
- Ind AS 1 – Presentation of Financial Statements
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12 – Income Taxes
- Ind AS 34 - Interim Financial Reporting

The Company does not expect the consequential amendments to have any significant impact in its financial statements.

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ARSHIYA 3PL SERVICES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR Lakhs)

4. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Financial assets carried at amortised cost		
Security Deposit with fellow subsidiary (refer note (a) below)	40.17	35.86
Total	**40.17**	**35.86**

Note:

(a) 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 Step Subsidiary Company Arshiya Northern FTWZ Limited (Developer) for Free Trade Warehousing Zone at Khurja, Uttar Pradesh.

5. OTHER ASSETS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Others		
- Prepaid rent	-	3.97
- Balances with Government Authorities		
'TDS Receivable	9.95	16.27
Total	**9.95**	**20.24**
Current		
Others		
- Prepaid rent	3.97	3.96
- Other Financial Asset	1.13	
- Balances with Government Authorities		
'GST Receivable	-	1.37
Total	**5.10**	**5.33**

6. TRADE RECEIVABLES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	135.03	11.82
Trade Receivable which have Significant increase in Credit Risk	-	-
Trade Receivable -credit Impaired	-	-
	135.03	**11.82**
Less: Allowance for expected credit loss	-	-
	-	-
Total	**135.03**	**11.82**

Notes:

a. The average credit period on sales of services is 0-180 days. No interest is charged on any overdue trade receivables.

b. There is no impairment of ECL.

c. Trade Receivable ageing schedule as at 31 March'23

(Amount in INR Lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
-Considered good	91.78	41.92	1.33	-	-	-	135.03
-Which have significant increase in credit risk		-	-	-	-	-	-
-Credit impaired		-	-	-	-	-	-
Disputed Trade Receivables							
-Considered good		-	-	-	-	-	
-Which have significant increase in credit risk		-	-	-	-	-	-
-Credit impaired		-	-	-	-	-	-
Total	**91.78**	**41.92**	**1.33**	**-**	**-**	**-**	**135.03**

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ARSHIYA 3PL SERVICES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

d. Trade Receivable ageing schedule as at 31 March'22

(Amount in INR Lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
-Considered good	6.15	5.66	-	0.01	-	-	11.82
-Which have significant increase in credit risk		-	-	-	-	-	-
-Credit impaired		-	-	-	-	-	-
Disputed Trade Receivables							
-Considered good		-	-	-	-	-	-
-Which have significant increase in credit risk		-	-	-	-	-	-
-Credit impaired		-	-	-	-	-	-
Total	**6.15**	**5.66**	-	**0.01**	-	-	**11.82**

7. CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with bank in current account	5.72	0.69
Total	**5.72**	**0.69**

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ARSHIYA 3PL SERVICES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

8. Equity Share Capital

(i) Authorised Share Capital

(Amount in INR Lakhs)

Particulars	Equity Share of Rs. 10 each	
	Number	Amount
As at March 31, 2022	50,000	5.00
As at March 31, 2023	50,000	5.00

(ii) Issued, subscribed and fully paid up equity shares

Particulars	Number	Amount
Equity shares of Rs. 10 each issued,		
As at March 31, 2022	**50,000**	**5.00**
Issued during the year	-	-
As at March 31, 2023	**50,000**	**5.00**

iii. Rights, Preferences and restrictions attached to equity shares

The Company has only one class of 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.

(iv) Shares held by the Holding Company

Out of equity shares issued by the Company, shares held by its Holding Company are as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Arshiya Logistics Services Limited		
Equity shares	50,000	50,000
Percentage	100%	100%

(v) Details of shareholders holding more than 5% of the aggeregate equity shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% holding	Number	% holding
Equity shares of Rs. 10 each fully paid				
Arshiya Logistics Services Limited	49,900	100%	49,900	100%
Shares held with Nominee Share holder	100		100	

(vi) Shareholding of promoters - Fully Paid Equity Shares

As at 31st March 2023

Category	Promoter's name	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Promoter	Arshiya Logistics Services Limited	49,900	-	49,900	100%	-

As at 31st March 2022

Category	Promoter's name	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Promoter	Arshiya Logistics Services Limited	49,900	-	49,900	100%	-

9. Other Equity

Reserves and Surplus

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	(233.11)	(249.98)
Total	**(233.11)**	**(249.98)**

Retained Earnings

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the reporting year	(249.98)	(241.30)
Proift/(Loss) for the year	16.59	(8.60)
Other Comprehensive Income - remeasurement of defined benefit plans	0.28	(0.08)
Balance at the closing of the reporting period	**(233.11)**	**(249.98)**

Nature and purpose of Reserve and Surplus:

Retained Earnings are the profit/(loss) of the Company earned till date net of appropriations.

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ARSHIYA 3PL SERVICES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

10. BORROWINGS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Loan from holding company (Refer Note No. 24)	126.52	168.20
Loan from ultimate parent company (Refer Note No. 24)	5.38	2.87
Total	**131.90**	**171.07**

Note: Inter corporate loan (Arshiya Limited- Ultimate Parent Company) and Arshiya Logistics Services Limited (Holding Company) is interest free and payable on end of tenure.

11. TRADE PAYABLES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Micro enterprises and Small enterprises	6.08	1.20
Related parties	84.51	88.26
Others	127.35	0.71
Total	**217.94**	**90.17**

11.1 Trade Payable ageing schedule as at 31 March'23

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade Payable						
-dues of micro and small enterprises	1.45	4.63	-	-	-	**6.08**
-Others	91.70	120.16	-	-	-	**211.86**
Disputed Trade Payable						
-dues of micro and small enterprises	-	-	-	-	-	-
-Others	-	-	-	-	-	-
Total	**93.15**	**124.79**	**-**	**-**	**-**	**217.94**

11.2 Trade Payable ageing schedule as at 31 March'22

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade Payable						
-dues of micro and small enterprises	0.88	0.32	-	-	-	1.20
-Others	4.96	84.01	-	-	-	88.97
Disputed Trade Payable						
-dues of micro and small enterprises	-	-	-	-	-	-
-Others	-	-	-	-	-	-
Total	**5.84**	**84.33**	**-**	**-**	**-**	**90.18**

12. OTHER FINANCIAL LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Financial Liabilities		
Deposits from customers	63.24	49.06
Payable for employees	0.70	1.90
Total	**63.94**	**50.96**

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13. OTHER CURRENT LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Advances received from customers	3.59	5.24
Others		
Statutory Dues (refer notes below)	5.67	0.13
Total	**9.26**	**5.37**

Notes:
Statutory dues includes Provident Fund, TDS and Goods and Service Tax .

14. PROVISIONS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Provision for employee benefits (Refer Note No. 22)		
Gratuity	0.72	0.84
Leave encashment	0.08	0.27
	0.80	**1.11**
Current		
Provision for employee benefits (Refer Note No. 22)		
Gratuity	0.22	0.16
Leave encashment	0.02	0.08
Total	**0.24**	**0.24**

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15. REVENUE FROM OPERATIONS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations		
Warehousing income	234.78	113.90
Transportation income	31.78	8.50
Handling, value optimisation and others services	64.95	26.67
Other Operatoring Income	18.27	-
Total	**349.78**	**149.07**

16.OTHER INCOME

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income on financial assets carried at amorised cost	4.30	3.84
Miscellaneous Income	1.26	-
Sundry Balances Written Back (net)	-	1.11
Total	**5.56**	**4.95**

17. WAREHOUSING, TRANSPORTATION AND HANDLING COST

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Warehouse storage charges	170.28	138.08
Transportation charges	20.46	5.69
Material Handling and other Charges	2.91	1.10
Other Operatoring Expenses	19.38	-
Total	**213.03**	**144.87**

18. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	9.12	12.08
Contribution to provident fund and employees' state insurance	0.54	0.73
Staff welfare expenses	-	0.01
Total	**9.66**	**12.82**

19. OTHER EXPENSES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rates and taxes	0.08	0.57
Repairs and maintenance	0.22	-
Travelling and conveyance expenses	0.10	0.01
Printing and Stationery Expenses	0.95	0.04
Legal and professional fees	1.03	0.70
Bank charges	0.41	0.3[illegible]
Audit Fees (Refer note (a) below)	1.00	0.2[illegible]
Advertisement	-	0.11
Business Promotions	107.91	0.90
Foreign exchange loss (Net)	3.78	1.86
Miscellaneous expenses	0.58	0.10
Total	**116.06**	**4.93**

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(a) Audit Fees **(Amount in INR Lakhs)**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
Audit Fees	1.00	0.25
Total	**1.00**	**0.25**

20. EARNINGS PER SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit available to equity shareholders		
Profit /(Loss) after tax (A) (Rupees in Lakhs)	16.59	(8.60)
Number of equity shares		
Weighted average number of equity shares outstanding (Basic and Diluted) (B)	50,000	50,000
Basic & Diluted earnings per share(A/B) (Rupees)	**33.18**	**(17.20)**

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21. FINANCIAL RATIOS

Sr. No.	Particulars	2022-23	2021-22	% Changes	Reason for deviation
1	Current Ratio	0.34	0.06	514%	Due to increase in trade receivable, bank balance
2	Debt- Equity Ratio	(0.58)	(0.70)	-17%	
3	Return on equity Ratio (%)	-7.40%	-3.54%	109%	Return of equity ratio is increased due to decreased in accumulated losses.
4	Trade receivable turnover Ratio	4.76	9.86	-52%	Due to increase in revenue from operations and trade receivable.
5	Trade payable turnover Ratio	2.11	1.74	21%	
6	Net Capital turnover Ratio	(1.26)	(0.50)	154%	Due to increase in revenu from operations and increase in trade payable.
7	Net profit (%)	4.82%	-5.82%	183%	Net profit ratio is increased due to increased in revenue and profits.
8	Return on Capital Employed (%)	-17.24%	-11.64%	48%	Due to increase in profit and decrease in debts
9	Debt Service Coverage Ratio	-	-	-	
10	Inventory Turnover Ratio	-	-	-	
11	Return on Investment	-	-	-	

21.01 Formula for computation of ratios are as follows:

Sr. No.	Ratios	Numerator	Denominator
1	Current Ratio	Current assets	Current liabilities
2	Debt- Equity Ratio	Total Debt	Total Equity
3	Return on equity Ratio (%)	Profit after Tax	Average Total Equity [(Opening Equity Share capital + Opening Other equity + Closing Equity Share Capital + Closing Other Equity)/2]
4	Trade receivable turnover Ratio	Revenue from operations	Average trade receivable ((Opening balance + closing balance) /2)
5	Trade payable turnover Ratio	Cost of Services & Other Expenses	Average trade payables ((Opening balance + closing balance) /2)
6	Net Capital turnover Ratio	Revenue from operations	Working Capital (Current assets - Current liabilities)
7	Net profit (%)	Loss after tax	Revenue from operations
8	Return on Capital Employed (%)	Earning before interest and taxes	Total Equity + Total Debts
9	Debt Service Coverage Ratio	Earnings available for debt service (Net profit after tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost & lease payment + principle repayment of long term borrowings during the year
10	Inventory Turnover Ratio	Revenue from operations	Average Inventory (opening balance+ closing balance)/2
11	Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank

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22. EMPLOYEE BENEFITS OBLIGATION

22. 1 Disclosure pursuant to Indian Accounting Standard (IND AS) 19 – Employee Benefits

(a) Defined Contribution Plan:

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

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Employer's Contribution to Provident Fund	0.22	0.28
Employer's Contribution to Pension Scheme	0.32	0.45

(b) Brief descriptions of the plans

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

(c) Leave Encashment:

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision recognised in the Balance Sheet		
Current Provision as at the end of the year	0.02	0.08
Non Current Provision as at the end of the year	0.08	0.27
Provision recognised in the Balance Sheet	0.10	0.35

(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.

(i) Actuarial assumptions:

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Mortality Table	100% of IALM 2012-14	100% of IALM 2012-14
Discount rate (per annum)	7.30%	5.65%
Rate of return on planned assets	6.10%	5.60%
Salary Escalation Rate	5.00%	5.00%
Attrition / Withdrawal rate (per annum)	20.00%	19.00%
Normal retirement age	58 Years	58 Years

(ii) Change in Present value of defined benefit obligations

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision as at the beginning of the year	1.00	0.66
Interest cost	0.06	0.04
Current service cost	0.17	0.22
Benefits paid	-	-
Acquisition adjustments	-	-
Actuarial (gain)/loss on obligations	(0.28)	0.08
Provision as at the end of the year	0.95	1.00

(iii) Change in Fair value of plan assets

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets as at the beginning of the year	-	-
Expected return on plan assets	-	-
Actual Enterprise's Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	-	-

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(iv) Actual return on plan assets (Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	-	-

(v) Provision recognised in the Balance Sheet (Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision as at the end of the year	-	-
Fair value of plan assets as at the end of the year	-0.05	0.33
Provision recognised in the Balance Sheet	-0.05	0.33

(vi) Percentage of each category of plan assets to total fair value of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Insurer managed funds	100%	100%

(vii) Amount recognised in the Statement of Profit and Loss (Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	0.17	0.22
Interest cost	0.06	0.04
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be on obligation	-	-
Expense recognised in Statement of Profit and Loss	0.23	0.26

(viii) Amount recognised in the Other Comprehensive Income (OCI) (Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Due to Change in financial assumptions	(0.05)	(0.02)
Due to Change in demographic assumption	-	-
Due to Change in experience assumption	(0.23)	0.10
Expected return on plan assets	-	-
Total remasurement recognised in OCI	(0.28)	0.08

(ix) Balance Sheet reconciliation (Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening net provision	1.00	0.66
Expenses recognised in Profit & Loss	0.23	0.26
Actual Employer Contribution	-	-
Acquisition adjustments	-	-
Total Remeasurement recognised in OCI	(0.28)	0.08
Closing net provision	0.95	1.00

(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.

(f) Sensitivity analysis: (Amount in INR Lakhs)

Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended 31st March, 2022		
Salary growth rate	+ 0.50%	1.02
	- 0.50%	0.97
Discount rate	+ 0.50%	0.97
	- 0.50%	1.02
For the year ended 31st March, 2023		
Salary growth rate	+ 0.50%	0.96
	- 0.50%	0.92
Discount rate	+ 0.50%	0.92
	- 0.50%	0.96

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

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

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

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

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

(D) Liquidity risk - This is the risk that the Company is not able to meet the short-term grauity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

(g) The weighted average duration of the defined benefit obligation at the end of the reporting period is 4 years (31st March, 2022 - 4 years).

(Amount in INR Lakhs)

Expected cash flows over the next (valued on undiscounted basis)	Amount
1st Year	0.22
2nd Year	0.19
3rd Year	0.16
4th Year	0.13
5th Year	0.11
6 to 10 year	0.33

23. CONTINGENT LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Bond-cum Legal Undertaking (refer note below)	2,200	2,200

Note:
Bond-cum Legal Undertaking has been given to SEZ Authority for safeguarding duty liability on goods stored in FTWZ on behalf of customers.

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24. 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 Logistics Services Limited	Holding Company
List of related parties and relationship, with whom transaction have taken place	
Arshiya Limited	Ultimate Holding company
Arshiya Northern FTWZ Limited	Fellow Subsidiaries

(ii) Transactions during the year 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 Relationship	Nature of Transaction	Year ended March 31, 2023	Year ended March 31, 2022
Arshiya Northern FTWZ Limited	Fellow Subsidiaries	Warehousing and Handling Costs	167.91	134.63
		Warehousing Rent expense	3.96	3.96
		Interest income on Security deposit	(4.30)	(3.84)

(iii) Closing balances at the end of the year **(Amount in INR Lakhs)**

Name	Nature of Relationship	Year ended March 31, 2023	Year ended March 31, 2022
Trade Payables			
Arshiya Northern FTWZ Limited	Fellow Subsidiaries	84.51	88.26
Security Deposits with related party			
Arshiya Northern FTWZ Limited	Fellow Subsidiaries	40.17	35.86
Prepaid expenses			
Arshiya Northern FTWZ Limited	Fellow Subsidiaries	3.97	7.93

(iv) Loans and advances received/repayments **(Amount in INR Lakhs)**

Name	Nature of Relationship	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Arshiya Limited	Ultimate Holding Company	Beginning of the year	2.87	176.28
		Loans received	27.77	6.02
		Loan repayments made	(25.26)	(179.43)
		End of the year	**5.38**	**2.87**
Arshiya Logistics Ser	Holding Company	Beginning of the year	168.20	-
		Loans received	-	168.20
		Loan repayments made	(41.68)	-
		End of the year	**126.52**	**168.20**

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25. 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.

25.1. Entity-wide disclosure required by IND AS 108 are made as follows:

(a) Revenue from external sales and services

(Amount in INR Lakhs)

Geography	Year ended March 31, 2023	Year ended March 31, 2022
India	349.78	149.07
Outside India	-	-
Total	**349.78**	**149.07**

(b) Segment Assets
All assets are within India only.

(c) Customers individually contributes to more than 10% of revenue :-
There are 2 customers (March 31, 2022 - 2 customers) aggregating to Rs. 136.51 lakhs (March 31, 2022 - Rs. 34.94 lakhs) constituting 39.03% (March 31, 2022 - 23.44%) of Revenue.

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26. 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 (Amount in INR Lakhs)

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	135.03	11.82	135.03	11.82
Cash and Cash Equivalents	5.72	0.69	5.72	0.69
Other Financial Assets	40.17	35.86	40.17	35.86
Total	**180.92**	**48.38**	**180.92**	**48.38**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	131.90	171.07	131.90	171.07
Trade Payables	217.94	90.18	217.94	90.18
Other financial liabilities	63.94	50.96	63.94	50.96
Total	**413.78**	**312.21**	**413.78**	**312.21**

The Carrying value of above financial assets and financial liabilities carried at amortised cost approximate these fair value.

27. 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 customers contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Customer credit risk is managed by each team subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date for major clients. In addition, large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company evaluates the concentration of risk with respect to trade receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The Company's objective is to, at all times; maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company limits its liquidity risk by ensuring regular monitoring of funds from trade and other receivables.

The 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 (Amount in INR Lakhs)

Particulars	less than 1 year	1 to 5 years	More than 5 year
31st March, 2023			
Financial liabilities			
Borrowings	131.90	-	-
Trade payables	217.94	-	-
Other financial liabilities	63.94	-	-
	413.78	-	-
Particulars	**less than 1 year**	**1 to 5 years**	**More than 5 year**
31st March, 2022			
Financial liabilities			
Borrowings	171.07	-	-
Trade payables	90.18	-	-
Other financial liabilities	50.96	-	-
	312.21	-	-

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(c) 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 INR Lakhs)

Particulars	Foreign Currency amount		Equivalent amount in INR	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade receivables				
USD	1.58	0.15	123.36	11.11
EUR	0.02	0.01	1.32	0.99
Advance from customer				
USD	-	0.005	-	0.35
Security deposits from customer				
USD	0.42	0.44	29.27	29.84

(ii) Sensitivity

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(Amount in INR Lakhs)

Particulars	Increase/(decrease) in profit before tax	
	As at March 31, 2023	As at March 31, 2022
FX rate - increase by 1% on closing rate of reporting date	-0.95	0.18
FX rate - (decrease) by 1% on closing rate of reporting date	0.95	-0.18

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28. TAXATION

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Reconciliation of tax expense		
Profit / (Loss) before tax	16.59	(8.60)
Enacted income tax rate (%) applicable to the Company	26.00%	26.00%
Tax expenses calculated at enacted income tax rate	4.31	(2.23)
Effect of expenses that are not deductible	0.09	0.13
Effect of unused Tax Losses	(4.40)	2.10

(b) 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.

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

(Amount in INR Lakhs)

Assessment Year	Business Loss	Available for utilization till
2020-2021	66.27	A.Y. 2028-2029
2021-2022	157.19	A.Y. 2029-2030
2022-2023	8.48	A.Y. 2030-2031
Total	**231.94**	

Deferred tax assets as at 31st March, 2023 Rs. 60.24 Lakhs (31st March, 2022 - Rs. 69.04 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilized by the Company. Details of deferred tax assets are mentioned below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Unabsorbed losses	(60.31)	(64.50)
Expense allowable on payments under section 43B and 40(a)(ia)	-	(0.10)
Financial Instruments	0.07	(4.44)
Total Deferred Tax Assets	**(60.24)**	**(69.05)**

29. 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.

30. Disclosure on Micro, Small And Medium Enterprises

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Principal amount due and remaining unpaid	6.08	1.20
(b) Interest due thereon remaining unpaid	-	-
(c) Interest paid by the Company in terms of Section 16 of the MSMED Act, 2016, along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(e) Interest accrued and remaining unpaid	-	-
(f) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above ae actually paid to the micro and small enterprises.	-	-

Note: Dues to Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company and relied upon by the Auditors.

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ARSHIYA 3PL SERVICES PRIVATE LIMITED * MUMBAI

ARSHIYA 3PL SERVICES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

31. Going Concern

The Company has accumulated losses amount to Rs. 233.11 lakh resulting in negative net worth of the Company. However management has appointed for reputed consulting firm for business development and hope to get good business volume in coming years.

The management believes that Government's focus on logistics infrastructure sector is accretive for the Company's business plan. The recent amendments in the SEZ policy, allowing manufacturing within the FTWZs will enhance the scope of activities carried out by FTWZ exponentially. These macro factors coupled with the Company's future business projections prepared basis the management's plan to expand the operations in free trade warehousing zone at Kurja, Uttar Pradesh and steps being taken by the management to control the operating costs, will improve the Company's ability to expand the client base multi-fold and thereby the cash flow position shall further improvise.

Further Arshiya Limited, the Ultimate Holding Company, has given a support letter to extend, for the foreseeable future, any financial support which may be required by the Company and expansion plans formulated by Arshiya Limited / Arshiya Northern FTWZ Limited at Free Trade Warehousing Zone, Khurja, which in turn shall supplement the business of A3PL. Also the Holding Company has given assurance of infusion of capital for support.

Accordingly the management has prepared company accounts on going concern basis.

32. The Company do not have any transactions & balances with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

33. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

34. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

35. The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

36. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

37. The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

38. The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

39. The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

40. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

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ARSHIYA 3PL SERVICES PRIVATE LIMITED * MUMBAI

41. The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company.

42. Previous year's figures have been regrouped wherever necessary to comply with requirement of Ind AS and Schedule III.

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

Vijay Napawaliya
Partner
Membership Number: 109859
Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

For and on Behalf of the Board of Directors of
Arshiya 3 PL Services Private Limited

Sarvothama Neelaya Shetty
Director
DIN: 08171762

Navnit Choudhary
Director
DIN: 00613576

ARSHIYA 3PL SERVICES PRIVATE LIMITED MUMBAI

INDEPENDENT AUDITORS' REPORT

To the Members of
ARSHIYA DATA CENTRE PRIVATE LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Arshiya Data Centre Private Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income) period ended March 31, 2023, 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.

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 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 2023, 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 Opinion

We conducted our audit of the financial statement in accordance with the Standard on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit if 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 independence requirement that are relevant to our audit of the Financial Statement under the provision of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirement and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters

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were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statement and Auditor's Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report & Shareholder's Information, but done not include financial statement and our auditor's report thereon.

Our opinion on the financial statement does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

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') specified under Section 133 of the Act, read with relevant rules there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 statement, 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 is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standard on Auditing will always detect a material misstatement when it exists.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.

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 standalone 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Based on our audit, we report that the company has not paid or provided for any managerial remuneration during the year.. Accordingly, reporting under section 197(16) of the Act is not applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

3. Further to our comments in the Annexures referred to above, 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 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) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules there under;
e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 B"**;
g) 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, in our opinion and to the best of our Information and according to the explanations given to us:

i. On the basis of the written representations received Company does not have any pending litigations as on 31st March, 2023.
ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
iii. There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.
iv. **a.** The management has represented that, to the best of its knowledge and belief, as disclosed in note no. 26 (a) to the financial statements, no funds have been advanced or

KANKANI JAIN & CHOPRA ★ CHARTERED ACCOUNTANTS ★ FIRM REGD. NO. 138552W

loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (`the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note no. 26 (b) to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31st March, 2023

For Kankani Jain & Chopra
Chartered Accountants
Firm Registration No. 138552W

KANKANI JAIN & CHOPRA * FRM REGD. NO. 138552W * CHARTERED ACCOUNTANTS

Prateek Jain
Partner
Membership No.: 422302
Date: 30th May, 2023
Place: Mumbai
UDIN: 23422302BGTFUC3735

"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2023)

i.(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company does not have any intangibles assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) All property, plant and equipment have been physically verified by the management during the year. No material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly reporting under clause 3(i)(e) of the Order is not applicable to the Company.

ii. a. Since the Company does not have any Inventory during the year, this clause is not applicable.

b. The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security if current assets during any point of time of the year. Accordingly reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

iii. The company does not have any outstanding loans (secured or unsecured), advances in the nature of loans (secured or unsecured), provided any guarantee or security to companies, firms, Limited Liability Partnerships (LLPs) or any other parties at the beginning of the year. The company has not made any investment, provided any guarantee or security or granted any loans/ advances in the nature of loans (secured or unsecured) to companies, firms, LLPs or any other parties during the year. Accordingly, reporting under clause 3(iii)(a) to

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(f) of the Order is not applicable to the Company. (b) During the year the investments made, loans granted and guarantees provided and the terms and conditions of the grant of all loans and guarantees to companies are not prejudicial to the Company's interest.

iv. In our opinion and according to the information and explanations given to us, the company has not provided any loans, investments, guarantees, and security, Accordingly, the requirement to report on 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 deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable. Accordingly, reporting under clause 3(vii)(a) of the Order is not applicable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute. Accordingly, reporting under clause 3(vii)(b) of the Order is not applicable.

viii. According to information and explanations given to us,the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken

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any loan either from financial institutions or from the government and has not issued any debentures. Accordingly, the requirement to report on clause 3(ix)(a) to 3(ix)(d) and 3(ix)(f) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

x. (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company and hence not commented upon.

(b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by using Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and

explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

xiv. The Company does not have any internal audit system as according to the size and nature of its business the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934. Accordingly, reporting under clause 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

xvii. The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any

guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. According to the information and explanations given to us, The Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Kankani Jain & Chopra
Chartered Accountants
Firm Registration No. 138552W



Prateek Jain
Partner
Membership No.: 422302
Date: 30th May, 2023
Place: Mumbai
UDIN: 23422302BGTFUC3735

Annexure B" to the Independent Auditors' Report

Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Company on the financial statements for the year ended 31st March 2023.

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 DATA CENTRE PRIVATE LIMITED** ("the Company"), as of March 31, 2023 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 issued by Institute of Chartered Accountants of India ('ICAI'). 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.

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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 judgment, 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.

KANKANI JAIN & CHOPRA FRM REGD. NO. 138552W CHARTERED ACCOUNTANTS

Opinion

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 March 31, 2023, 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 Kankani Jain & Chopra
Chartered Accountants
Firm Registration No. 138552W

KANKANI JAIN & CHOPRA FRM REGD. NO. 138552W CHARTERED ACCOUNTANTS

Prateek Jain
Partner
Membership No.: 422302
Date: 30th May, 2023
Place: Mumbai
UDIN: 23422302BGTFUC3735

ARSHIYA DATA CENTRE PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	13,067.99	13,067.99
(b) Capital Work-in-Progress	5	209.15	209.15
Total Non-Current Assets		**13,277.14**	**13,277.14**
Current assets			
(a) Financial Assets			
Cash and Cash Equivalents	6	0.01	-
Total Current Assets		**0.01**	**-**
TOTAL ASSETS		**13,277.15**	**13,277.14**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	7	1.00	1.00
(b) Other Equity	8	(303.34)	(183.09)
Total Equity		**(302.34)**	**(182.09)**
Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	9	12.03	11.53
(ii) Trade Payables	10		
Micro enterprises and small enterprises		0.50	-
Other than micro enterprises and small enterprises		299.80	180.27
(ii) Other Financial Liabilities	11	13,267.13	13,267.13
(b) Other Current Liabilities	12	0.03	0.30
Total Current Liabilities		**13,579.49**	**13,459.23**
TOTAL EQUITY AND LIABILITIES		**13,277.15**	**13,277.14**

See accompanying notes 1 - 27 to the financial statements

In terms of our report attached
For **Kankani Jain & Chopra**
Chartered Accountants
FRN No. 138552W

Prateek Jain
Partner
M. No. : 422302
Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors of Arshiya Data Centre Private Limited

Ajay S Mittal
Director
DIN : 00226355
Place: Mumbai
Date: May 30, 2023

Mahesh Mhatre
Director
DIN : 06670064

ARSHIYA DATA CENTRE PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
(I) INCOME			
(a) Revenue from operations		-	-
(b) Other income	13	-	0.02
(II) Total Income		**-**	**0.02**
(III) EXPENSES			
(a) Lease rent	14	-	3.00
(b) Employee benefits expenses	15	119.58	173.83
(c) Finance costs	16	0.05	1,059.66
(d) Other expenses	17	0.62	0.44
(IV) Total Expenses (a) to (d)		**120.25**	**1,236.93**
(V) Loss before tax (II-IV)		**(120.25)**	**(1,236.91)**
(VI) Tax expense			
Current tax		-	-
(VII) Loss for the year		**(120.25)**	**(1,236.91)**
(VIII) Other Comprehensive Income		-	-
Total Other Comprehensive income for the year		**-**	**-**
(IX) Total Comprehensive Income for the year		**(120.25)**	**(1,236.91)**
(X) Earnings per equity share (Face value per Equity share Rs.10)	18		
Basic and Diluted		(1,202.50)	(12,369.10)

See accompanying notes 1 - 27 to the financial statements

In terms of our report attached
For **Kankani Jain & Chopra**
Chartered Accountants
FRN No. 138552W

Prateek Jain
Partner
M. No. : 422302
Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors of Arshiya Data Centre Private Limited

Ajay S Mittal
Director
DIN : 00226355
Place: Mumbai
Date: May 30, 2023

Mahesh Mhatre
Director
DIN : 06670064

ARSHIYA DATA CENTRE PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A Equity Share Capital

Particulars	(Amount in INR Lakhs)
As at March 31, 2022	1.00
As at March 31, 2023	1.00

B Other Equity

(Amount in INR Lakhs)

Particulars	Reserves and Surplus		
	Retained Earnings	Deemed Capital Contribution	Total
As at March 31, 2021	(1,595.58)	2,649.40	**1,053.82**
Loss for the year	(1,236.91)	-	**(1,236.91)**
Other comprehensive income for the year	-	-	**-**
As at March 31, 2022	**(2,832.49)**	**2,649.40**	**(183.09)**
Loss for the year	(120.25)	-	**(120.25)**
Other comprehensive income for the year	-	-	**-**
As at March 31, 2023	**(2,952.74)**	**2,649.40**	**(303.34)**

C Total Equity

(Amount in INR Lakhs)

Particulars	Total
As at March 31, 2022	(182.09)
As at March 31, 2023	(302.34)

See accompanying notes 1 - 27 to the financial statements

In terms of our report attached
For **Kankani Jain & Chopra**
Chartered Accountants

Prateek Jain
Partner
M. No. : 422302
Place: Mumbai
Date: May 30, 2023

KANKANI JAIN & CHOPRA FRM REGD. NO. 138552W CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Arshiya Data Centre Private Limited

Ajay S Mittal
Director
DIN : 00226355
Place: Mumbai
Date: May 30, 2023

Mahesh Mhatre
Director
DIN : 06670064

ARSHIYA DATA CENTRE PRIVATE LIMITED MUMBAI

ARSHIYA DATA CENTRE PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year Ended March 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before Tax	**(120.25)**	**(1,236.91)**
Adjustment for:		
Sundry balances written back (net)	-	(0.02)
Share based payments	119.58	173.83
Finance costs	0.05	1,059.66
Operating loss before working capital changes	**(0.62)**	**(3.44)**
Movement in working capital:		
Increase in trade payables	0.45	2.36
(Decrease)/increase in other financial liabilities and current liabilities	(0.32)	0.07
Net cash used in operating activities (A)	**(0.49)**	**(1.01)**
B. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from short term borrowings (net)	0.50	1.00
Net cash generated from financing activities (B)	**0.50**	**1.00**
Net increase in Cash and cash equivalents (A+B)	0.01	(0.01)
Cash and Cash Equivalents at the beginning of the financial year	-	0.01
Cash and Cash Equivalents as per Note No. 6	**0.01**	**-**

Change in liabilities arises from financing activities

Particulars	Current Borrowings
As at April 01, 2022	11.53
Less: Cash flow (net)	0.50
As at 31st March, 2023	**12.03**

Notes:
1. Bracket indicates cash outflow.
2. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flow.

See accompanying notes 1 - 27 to the financial statements

In terms of our report attached
For **Kankani Jain & Chopra**
Chartered Accountants

Prateek Jain
Partner
M. No. : 422302
Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors of Arshiya Data Centre Private Limited

Ajay S Mittal
Director
DIN : 00226355
Place: Mumbai
Date: May 30, 2023

Mahesh Mhatre
Director
DIN : 06670064

ARSHIYA DATA CENTRE PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate Information

Arshiya Data Centre Private Limited (the Company) is a unified supply chain and integrated logistics infrastructure solution provider and is engaged in the business of Data Centre designing, development, maintenance, management and providing consultancy services.

These statements comprises of financial statements of Arshiya Data Centre Private Limited (CIN : U72900MH2019PTC320780) for the year ended March 31, 2023. The Company is a private limited company domiciled in India and is incorporated on February 07, 2019 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 205 & 206 (Part), 2nd Floor, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

Arshiya Data Centre Private Limited is a subsidiary of Arshiya Limited (AL) w.e.f. September 03, 2019, a Company listed on Bombay Stock Exchange and National Stock Exchange.

Arshiya Data Centre Private Limited has attained the status of a Co-developer under the Special Economic Zones Act, 2005 of Arshiya Limited, at Panvel, Maharashtra.

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, except for certain financial assets and liabilities which are measured at fair value.

2.2 Summary of significant accounting policies

(a) 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.

(b) Leases

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





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

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

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

(c) 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.

(d) 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

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.

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.

KANANI JAIN & CHOPRA FRM REGD. NO. 138552W CHARTERED ACCOUNTANTS

ARSHIYA DATA CENTRE PRIVATE LIMITED MUMBAI

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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

KANKANI JAIN & CHOPRA FRM REGD. NO. 138552W CHARTERED ACCOUNTANTS

- 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.

(j) 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.

(k) 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.

(l) 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 impairment of non-financial assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement.

(i) 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.

(ii) 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.

3A Recent Accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 01, 2023.

- Ind AS 101 – First time adoption of Ind AS
- Ind AS 102 – Share based Payment
- Ind AS 103 – Business Combination
- Ind AS 107 – Financial Instruments Disclosures
- Ind AS 109 – Financial Instrument
- Ind AS 115 – Revenue from Contracts with Customers
- Ind AS 1 – Presentation of Financial Statements
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12 – Income Taxes
- Ind AS 34 – Interim Financial Reporting

The revised Conceptual Framework introduced some new concepts and clarifications along with revision in definitions and changes in recognition criteria of assets and liabilities under Ind AS.

The Company does not expect the consequential amendments to have any significant impact in its financial statements.

KANKANI JAIN & CHOPRIA FRM REGD. NO. 138552W CHARTERED ACCOUNTANTS

ARSHIYA DATA CENTRE PRIVATE LIMITED MUMBAI

ARSHIYA DATA CENTRE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

4. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR Lakhs)

Particulars	Leasehold Land
AT COST	
Balance as at March 31, 2021	13,067.99
Additions during the year	-
Balance as at March 31, 2022	**13,067.99**
Additions during the year	-
Balance as at March 31, 2023	**13,067.99**
ACCUMULATED DEPRECIATION	
Balance as at March 31, 2021	-
Depreciation for the year	-
Balance as at March 31, 2022	**-**
Depreciation for the year	-
Balance as at March 31, 2023	**-**
Net Carrying value as at March 31, 2022	**13,067.99**
Net Carrying value as at March 31, 2023	**13,067.99**

Note:
The Parent Company ("Lessor") has executed various Lease Deeds in favor of the Company ("Lessee") for grant of long term leasehold rights of land admeasuring 10.00 acres at FTWZ Panvel for an initial lease terms of thirty years. Upon the expiry of initial lease period, the deeds shall be renewed, at the sole option of the Company for a period of thirty years each time.

KANKANI JAIN & CHOPRA FRM REGD. NO. 138552W CHARTERED ACCOUNTANTS

ARSHIYA DATA CENTRE PRIVATE LIMITED MUMBAI

ARSHIYA DATA CENTRE PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

5. CAPITAL WORK IN PROGRESS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work in progress (refer below note)	209.15	209.15
Total	**209.15**	**209.15**

Note:

(i) Capital work in progress ageing:

(Amount in INR Lakhs)

Project in progress	As at March 31, 2023	As at March 31, 2022
Less than 1 year	-	209.15
1 to 2 years	209.15	-
2 to 3 years	-	-
More than 3 years	-	-
Total	**209.15**	**209.15**

6. CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with bank in current account	0.01	-
Total	**0.01**	**-**

7. EQUITY SHARE CAPITAL

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, 2023	10,000	1.00
As at March 31, 2022	10,000	1.00

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 Shareholders

Out of equity shares issued by the Company, shares held by its Shareholders are as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Arshiya Limited (No. of shares)	10,000	10,000
Percentage	100%	100%

v. Shareholding of Promoters

Promoter Name	As at March 31, 2023	As at March 31, 2022	% Change during the year
Arshiya Limited (No. of shares)	10,000	10,000	-
Percentage	100%	100%	0%

vi. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% Holding	Number	% Holding
Equity shares of INR 10 each fully paid				
Arhsiya Limited	9,994	100%	9,994	100%
Shares held with Nominee and jointly shareholders	6		6	

KANKANI JAIN & CHOPRA FRM REGD. NO. 138552W CHARTERED ACCOUNTANTS

ARSHIYA DATA CENTRE PRIVATE LIMITED MUMBAI

ARSHIYA DATA CENTRE PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

8. OTHER EQUITY

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Retained Earnings	(2,952.74)	(2,832.49)
(b) Deemed Capital Contribution	2,649.40	2,649.40
Total	**(303.34)**	**(183.09)**

(a) Retained Earnings

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(2,832.49)	(1,595.58)
Loss for the year	(120.25)	(1,236.91)
Other comprehensive income for the year	-	-
Closing balance	**(2,952.74)**	**(2,832.49)**

(b) Deemed Capital Contribution

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	2,649.40	2,649.40
During the year	-	-
Closing balance	**2,649.40**	**2,649.40**

Deemed Capital contribution comprises notional interest on deferred payment of consideration to the Parent on Leasehold Land accounted at fair value.

9. BORROWINGS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unsecured		
Loan from Parent Company* (Refer note no.16)	12.03	11.53
Total	**12.03**	**11.53**

Note:
*Loan from Parent Company are interest free and repayable on end of tenure.

10. TRADE PAYABLES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Micro enterprises and small enterprises (Refer note below)	0.50	-
Trade Payables to Related Parties (Refer note no.16)	299.58	180.00
Other than micro enterprises and small enterprises	0.22	0.27
Total	**300.30**	**180.27**

Note:

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, 2023	As at March 31, 2022
Principal amount due to suppliers under MSMED Act, 2006	0.50	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-

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.





ARSHIYA DATA CENTRE PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(B) Trade payable ageing schedule:

Outstanding for followings from due date of payment

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Micro and Small Enterprises		
Not Due	0.25	-
Less than 1 year	0.25	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Micro and Small Enterprises	**0.50**	**-**
Trade Payables to Related Parties		
Not Due	-	-
Less than 1 year	222.13	176.53
1 to 2 years	73.98	3.47
2 to 3 years	3.47	-
More than 3 years	-	-
Total Payables to Related Parties	**299.58**	**180.00**
Other than micro enterprises and small enterprises		
Not Due	-	-
Less than 1 year	0.22	0.27
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Other than micro enterprises and small enterprises	**0.22**	**0.27**
Disputed		
Micro and Small Enterprises	-	-
Other than micro and small enterprises	-	-

11. OTHER FINANCIAL LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Creditors for Capital Goods	13,267.13	13,267.13
Total	**13,267.13**	**13,267.13**

12. OTHER CURRENT LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities (Tax deducted at Sources)	-	0.30
Interest on delayed payment of Statutory Dues	0.03	-
Total	**0.03**	**0.30**

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ARSHIYA DATA CENTRE PRIVATE LIMITED

ARSHIYA DATA CENTRE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

13. OTHER INCOME

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sundry balances written back (net)	-	0.02
Total	**-**	**0.02**

14. LEASE RENT

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Lease rent	-	3.00
Total	**-**	**3.00**

15. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Share based payments	119.58	173.83
Total	**119.58**	**173.83**

16. FINANCE COSTS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Unwinding Interest on financial liabilities	-	1,059.66
Interest on delayed payment of statutory dues	0.05	-
Total	**0.05**	**1,059.66**

17. OTHER EXPENSES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rates and taxes	0.10	-
Legal and professional fees	0.05	0.04
Payment to Auditors (Refer note below)	0.25	0.25
Miscellaneous expenses	0.22	0.15
Total	**0.62**	**0.44**

Note : Payments to Auditors

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As Auditor		
Audit Fees	0.25	0.25
Total	**0.25**	**0.25**

18. EARNINGS PER EQUITY SHARE

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	Year ended March 31, 2022
(a) Basic and diluted earnings per equity share	(1,202.50)	(12,369.10)
Loss for the period used in calculating basic / diluted earnings per share	(120.25)	(1,236.91)
(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	10,000	10,000

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ARSHIYA DATA CENTRE PRIVATE LIMITED MUMBAI

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

19. 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

(ii) Key managerial personnel
Mr. Ajay S Mittal - Director
Mr. Ananya Mittal - Director
Mr. Mahesh Mhatre - Director (w.e.f. May 29, 2023)

(iii) The nature and amount of transactions with the above related party are as follows

(Amount in INR Lakhs)

Name	Nature of Transactions	Year Ended March 31, 2023	Year Ended March 31, 2022
Arshiya Limited	Lease rent	-	3.00
	Reimbursement of expenses	119.58	247.98
	Unwinding Interest on financial liabilities #	-	1,059.66

Also see note 8(b) for deemed capital contribution from Arshiya Limited.

(iv) Outstanding balances

(Amount in INR Lakhs)

Name	Nature of Relationship	As at March 31, 2023	As at March 31, 2022
Creditors for capital goods			
Arshiya Limited	Parent Company	13,267.14	13,267.14
Trade Payable			
Arshiya Limited	Parent Company	299.58	180.00

(v) Loans from related parties

(Amount in INR Lakhs)

Name	Nature of Relationship	Particulars	As at March 31, 2023	As at March 31, 2022
Arshiya Limited	Parent Company	**Opening Balance**	11.53	10.53
		Loans received	0.70	7.00
		Loan repayments made	0.20	6.00
		End of the year	**12.03**	**11.53**

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ARSHIYA DATA CENTRE PRIVATE LIMITED MUMBAI

ARSHIYA DATA CENTRE PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

20. SEGMENT REPORTING

There is no separate reportable segments (Business/ geographical), as per requirement of Ind AS 108 "Operating Segment".

21. 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
FINANCIAL ASSETS				
Amortised cost				
Cash and Cash Equivalents	0.01	-	0.01	-
Total	**0.01**	**-**	**0.01**	**-**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	12.03	11.53	12.03	11.53
Trade Payables	300.30	180.27	300.30	180.27
Other financial liabilities	13,267.13	13,267.13	13,267.13	13,267.13
Total	**13,579.46**	**13,458.93**	**13,579.46**	**13,458.93**

The management have assessed that the fair value of cash and cash equivalent, borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

22. 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 of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers, loans given and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

(b) 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.

23. 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.

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ARSHIYA DATA CENTRE PRIVATE LIMITED MUMBAI

ARSHIYA DATA CENTRE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

24. KEY FINANCIAL RATIOS

Particulars	As at March 31, 2023	As at March 31, 2022	Variation	Reason for deviation
(i) Current Ratio	0.00	-	0.00%	
(ii) Debt Equity Ratio	(0.04)	(0.06)	-37.16%	Debt Equity Ratio decreased due to accumulated losses
(iiii) Return on Equity Ratio	49.65%	-283.46%	-117.51%	Return on Equity Ratio increased due to decreased in current year losses
(iv) Trade Receivables Turnover Ratio	-	-	-	
(v) Trade Payables Turnover Ratio	0.50	1.89	-73.58%	Trade Payables Turnover Ratio decreased due to delayed in payments
(vi) Return on Capital Employed	41.40%	103.92%	-60.16%	Return on Capital Employed Ratio decreased due to accumulated losses
(vii) Net Capital Turnover Ratio	-	-	-	
(viii) Net Profit Ratio	-	-	-	
(ix) Debt Service Coverage Ratio	-	-	-	
(x) Inventory Turnover Ratio	-	-	-	
(xi) Return on Investment	-	-	-	

Ratios	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities
Debt Equity Ratio	Total Debts	Total Equity
Return on Equity Ratio	Net Profit after tax	Average Total Equity [(Opening Equity Share capital + Opening Other equity+Closing Equity Share Capital+Closing Other Equity)/2
Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivable (Opening balance + closing balance) /2
Trade Payables Turnover Ratio	Warehousing, Transportation and Handling Costs + Other expenses	Average trade payables (Opening balance + closing balance) /2
Return on Capital Employed	Profit Before interest & Tax	Total Equity + Total Debts
Net Capital Turnover Ratio	Revenue from operations	Working Capital (Current assets - Current liabilities)
Net Profit Ratio	Net profit after tax	Revenue from operations
Debt Service Coverage Ratio	Earnings available for debt service (Net profit after tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost & lease payment + principle repayment of long term borrowings during the year
Inventory Turnover Ratio	Revenue from operations	Average Inventory (opening balance+ closing balance)/2
Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank

25. DEFERRED TAX

In view of loss for the period, no provision for current tax has been made.

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

26. OTHER STATUTORY INFORMATION

(a) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

KANKANI JAIN & CHOPRA FRM REGD. NO. 138552W

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(c) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(d) There are no transactions and outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act,1956.

27. Previous year's figures have been regrouped wherever necessary to comply with requirement of Ind AS and Schedule III.

For Kankani Jain & Chopra
Chartered Accountants

Prateek Jain
Partner
M. No. : 422302
Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors
of Arshiya Data Centre Private Limited

Ajay S Mittal
Director
DIN : 00226355
Place: Mumbai
Date: May 30, 2023

Mahesh Mhatre
Director
DIN : 06670064

INDEPENDENT AUDITORS' REPORT

To the Members of
Arshiya Infrastructure Developers Private Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Arshiya Infrastructure Developers Private Limited ('the Company')**, which comprise the Balance Sheet as at 31st March 2023, 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, 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 2023, 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 Opinion

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.

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.

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.

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

Continuation sheet...

- 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, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

   b. 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. In our opinion, the aforesaid financial statements comply with Ind AS prescribed under Section 133 of the Act read with relevant rules there under;

   e. On the basis of the written representations received from the directors of the Company as on 31st March, 2022 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**;

g. In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year hence the provisions of section 197 of the Act is not applicable.

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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and as represented to us by management :

i. The Company does not have pending litigations which would impact 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.

iv. (a) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to the financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly,

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 23109859BGXRUA4520

Place: Mumbai
Date: 29th May 2023

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

Continuation sheet...

"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 Infrastructure Developers Private Limited on the financial statements for the year ended 31st March 2023)

(i) The Company does not have Property, Plant and Equipment therefore the Provisions of Clause 3 (i) (a), (b), (c) and (d) of the Order are not applicable to the Company.

(b) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) The nature of business of the Company does not require any inventory during the year therefore the provisions of Clause 3 (ii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, at any point of the year, the Company has not been sanctioned any working capital facility from bank or financial institutions and hence reporting under clause 3(ii) (b) of the Order is not applicable to the Company.

(iii) During the year the Company has not made investments in, provided any guarantee or security or granted any loans or advance in the nature of loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or any other parties. Therefore, the provisions of Clause 3 (iii) (a), (b), (c), (d), (e), (f) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has not made any made investments or loan, given any guarantee or security to the parties covered under section 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause 3 (v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and according to the information and explanations provided to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.

(vii) (a) According to the records of the company and information and explanations given to us, the Company has generally been regular, in depositing undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess and any other material statutory dues to the appropriate authorities, as applicable, during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub clause (a) which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and representation given to us by the management, there are no such transactions that recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Therefore the Provisions of Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or other borrowings to any lender. The borrowing from parent company is interest free.

(b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion, and according to the information and explanations given and records examined by us, the company has not raised any money by way of term loans, therefore the provisions of Clause 3(viii) (c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, prima facie, short-term funds available of Rs. 3.59 Lakh have been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does have any subsidiaries, associates or joint ventures, therefore the Provisions of Clause 3(ix)(e) and (f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore the Provisions of Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore the Provisions of Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by management, no fraud by the company or on the company has been noticed or reported during the year.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

(b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by auditor in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

Continuation sheet...

(c) The Company is not required to have Whistle Blower Mechanism under applicable rules and regulations. As represented to us by the management, there are no whistle blower complaints received by the company during the year.

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

(xiii) The requirement of section 177 of the companies Act, is not applicable to the company. The Company has not entered into transactions under sections 188 of the Act. The details of 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) As per section 138 of the Companies Act, 2013, the Company does not have to appoint an internal auditor, therefore, the provisions of Clause 3(xiv) of the Order is 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 as referred to in Section 192 of the Act. Therefore, the provisions of Clause 3(xv) of the Order is not applicable to the Company.

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

(b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

(c) In our opinion, and according to the information and explanations provided to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) In our opinion, and according to the information and explanations provided to us, the Group has no Core Investment Company (CIC) as part of the group.

(xvii) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses in the financial year and in the immediately preceding financial year amounting to Rs. 1.12 Lakh and Rs.0.79 Lakh respectively.

(xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, financial support provided by the parent company, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Continuation sheet...

material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, provisions of section 135 are not applicable to the Company. Therefore, provisions of clause (xx) of the Order are not applicable to the Company.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 23109859BGXRUA4520

Place: Mumbai
Date: 29th May 2023

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

Continuation sheet...

"Annexure B" to the Independent Auditor's Report

Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Infrastructure Developers Private Limited on the financial statements for the year ended 31st March 2023.

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

We have audited the internal financial controls with reference to financial statements of **Arshiya Infrastructure Developers Pvt. Limited** ("the Company") as of 31st March, 2023 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Continuation sheet...

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statement 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 23109859BGXRUA4520

Place: Mumbai
Date: 29th May 2023

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	4	-	-
(ii) Loan		-	-
(b) Other Current Assets		-	-
Total Current Assets		-	-
TOTAL ASSETS		-	-
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	5	1.00	1.00
(b) Other Equity	6	(4.59)	(3.47)
Total Equity		**(3.59)**	**(2.47)**
Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	7	3.23	1.68
(ii) Trade Payables	8		
Micro and Small Enterprises		-	-
Others		0.36	0.79
Total Current Liabilities		**3.59**	**2.47**
TOTAL EQUITY AND LIABILITIES		-	-

See accompanying notes 1-20 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Infrastructure Developers Private Limited

Navnit Choudhary
Director
DIN : 00613576

Ashutosh Shamra
Director
DIN : 00679252

ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED MUMBAI

ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations		-	-
Total Income (I)		-	-
Expenses			
Other expenses	9	1.12	0.79
Total Expenses (II)		**1.12**	**0.79**
Loss before tax (I-II)		**(1.12)**	**(0.79)**
Tax expense:	17		
Current tax		-	-
Deferred tax		-	-
Loss for the year		**(1.12)**	**(0.79)**
Other Comprehensive Income (OCI)			
Item not to be reclassified to profit and loss		-	-
Total Comprehensive Income		**(1.12)**	**(0.79)**
Earnings per equity share (Face Value Rupees 10 each)			
Basic and Diluted	10	(11.20)	(7.90)

See accompanying notes 1-20 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

For and on behalf of the Board of Directors
Arshiya Infrastructure Developers Private Limited

Navnit Choudhary
Director
DIN : 00613576

Ashutosh Shamra
Director
DIN : 00679252

ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before Tax	**(1.12)**	**(0.79)**
Operating loss before working capital changes	**(1.12)**	**(0.79)**
Changes in working capital:		
(Decrease)/Increase in trade payable	(0.43)	0.29
Cash used in operations	**(1.55)**	**(0.50)**
Net cash used in operating activities (A)	**(1.55)**	**(0.50)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from short term borrowings (net)	1.55	0.43
Net cash flow from financing activities (B)	**1.55**	**0.43**
Net (decrease) / increase in cash and cash equivalents	-	(0.07)
Cash and Cash Equivalents at the beginning of the financial year	-	0.07
Cash and Cash equivalents at the end of the year (Refer Note No. 4)	**-**	**-**

Change in liabilities arises from financing activities

Particulars	Current Borrowings
As at April 01, 2022	1.68
Less: Cash flow (net)	1.55
As at 31st March, 2023	**3.23**

Notes:
1. Bracket indicates cash outflow.
2. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flow.

See accompanying notes 1-20 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number 109859

Place: Mumbai
Date: May 29, 2023

For and on behalf of the Board of Directors
Arshiya Infrastructure Developers Private Limited

Navnit Choudhary
Director
DIN : 00613576

Ashutosh Shamra
Director
DIN : 00679252

ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A Equity Share Capital

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Share Capital	1.00	1.00

B Other Equity

(Rupees in Lakhs)

Particulars	Retained Earnings	Total
As at March 31, 2021	**(2.68)**	**(2.68)**
Loss for the year	(0.79)	**(0.79)**
Other comprehensive income	-	**-**
As at March 31, 2022	**(3.47)**	**(3.47)**
Loss for the year	(1.12)	**(1.12)**
Other comprehensive income	-	**-**
As at March 31, 2023	**(4.59)**	**(4.59)**

C Total Equity

(Rupees in Lakhs)

Particulars	Total
As at March 31, 2023	(3.59)
As at March 31, 2022	(2.47)

See accompanying notes 1-20 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

For and on behalf of the Board of Directors
Arshiya Infrastructure Developers Private Limited

Navnit Choudhary
Director
DIN : 00613576

Ashutosh Shamra
Director
DIN : 00679252

ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate Information

Arshiya Infrastructure Developers Private Limited 'the Company' (CIN No.: U74999MH2019PTC319247), was incorporated on January 9, 2019 is engaged in the business of Free Trade and Warehousing Zone (FTWZ) and value added services along with development, operations and maintenance of FTWZ and unified supply chain and integrated logistics infrastructure solution provider. The registered office of the Company is located at 205 & 206 (part), 2nd Floor, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai City Maharashtra 400018.

Arshiya Infrastructure Developers Private Limited (AIDPL) is a subsidiary of Arshiya Limited (AL), a company listed on Bombay Stock Exchange and National Stock Exchange. Arshiya Infrastructure Developers Private Limited is a Co-developer under the Special Economic Zones Act, 2005.

The financial statements of the Company for the year ended March 31, 2023 were approved and adopted by board of directors in their meeting held on May 29, 2023.

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) 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, except for certain financial assets and liabilities which are measured at fair value.

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) Revenue recognition

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

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring 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.

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.

(c) 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.

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ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED * MUMBAI

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.

(d) 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

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.

(ii) Financial assets - Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-

a) Financial assets at fair value
b) Financial assets at 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.

(iii) 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.

(iv) 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.

(e) 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.

(f) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of financial instruments, or where appropriate, a shorter period.

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED ★ MUMBAI

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(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

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ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED MUMBAI

- 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.

(o) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and cash 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, provisions and contingent liabilities.

3.1 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.

3.2 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.

3A Recent Accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 01, 2023.

- Ind AS 101 – First time adoption of Ind AS
- Ind AS 102 – Share based Payment
- Ind AS 103 – Business Combination
- Ind AS 107 – Financial Instruments Disclosures
- Ind AS 109 – Financial Instrument
- Ind AS 115 – Revenue from Contracts with Customers
- Ind AS 1 – Presentation of Financial Statements
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12 – Income Taxes
- Ind AS 34 – Interim Financial Reporting

The Company does not expect the consequential amendments to have any significant impact in its financial statements.

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ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

4. CASH AND CASH EQUIVALENTS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with bank on current account	-	-
Total	-	-





ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

5. EQUITY SHARE CAPITAL

i. Authorised Share Capital

Particulars	Number	Amount (Rupees in Lakhs)
Equity Shares of Rupees 10 each		
As At March 31, 2023	10,000	1.00
As At March 31, 2022	10,000	1.00

Terms/rights 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.

ii. Issued subscribed and paid up equity shares

Particulars	Number	Amount (Rupees in Lakhs)
Equity shares of Rupees 10 each issued, subscribed and fully paid up		
As At March 31, 2023	10,000	1.00
As At March 31, 2022	10,000	1.00

iii. Rights, Preferences and restrictions attached to equity shares

The Company has only one class of shares, namely, 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.

iv. Shares held by Holding Company

Out of equity shares issued by the Company, shares held by its Holding Company are as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Arshiya Limited		
No. of Equity shares	10,000	10,000
Percentage Holding	100%	100%

v. Shareholding of Promoters

Promoter Name	As at March 31, 2023	As at March 31, 2022	% Change during the year
Arshiya Limited			
No. of Equity shares	10,000	10,000	-
Percentage Holding	100%	100%	0%

vi. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% Holding	Number	% Holding
Equity shares of Rupees 10 each fully paid				
Arshiya Limited (Holding Company)	9,900	100%	9,900	100%
Shares held with Nominee shareholder	100		100	

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

6. OTHER EQUITY

Reserves and Surplus (Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	(4.59)	(3.47)
Total	**(4.59)**	**(3.47)**

Retained Earnings (Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(3.47)	(2.68)
Loss for the year	(1.12)	(0.79)
Other comprehensive income	-	-
Closing balance	**(4.59)**	**(3.47)**

Nature & purpose of reserves

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

7. BORROWINGS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Borrowings		
Loan from Holding Company* (Refer Note 11)	3.23	1.68
Total	**3.23**	**1.68**

Note:
*Inter corporate unsecured loan is interest free and payable on end of tenure.

8. TRADE PAYABLES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Micro and Small Enterprises (Refer below note A)	-	-
Others	0.36	0.79
Total	**0.36**	**0.79**

Notes:
(A) 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.

(B) Trade payable ageing schedule:
Outstanding for followings from due date of payment (Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Micro and Small Enterprises		
Not Due	-	-
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Micro and Small Enterprises	-	-
Other than micro enterprises and small enterprises		
Not Due	0.36	0.25
Less than 1 year	-	0.29
1 to 2 years	-	0.25
2 to 3 years	-	-
More than 3 years	-	-
Total Other than micro enterprises and small enterprises	**0.36**	**0.79**
Disputed		
Micro and Small Enterprises	-	-
Other than micro enterprises and small enterprises	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

9. OTHER EXPENSES

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payments to Auditors (Refer note below)	0.25	0.25
Legal and professional fees	-	0.10
Rates and taxes	-	0.15
ROC Expenses	0.57	0.01
Miscellaneous Expenses	0.30	0.28
Total	**1.12**	**0.79**

Note : Payments to Auditors (Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As Auditor		
Audit Fees	0.25	0.25
Total	**0.25**	**0.25**

10. EARNINGS PER EQUITY SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit available to equity shareholders		
Loss after tax (A) (Rupees in Lakhs)	(1.12)	(0.79)
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)	10,000	10,000
Basic & Diluted earnings per share(A/B) (Rs.)	(11.20)	(7.90)
Nominal Value of an equity share (Rs.)	10.00	10.00

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ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

11. 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	% of equity interest
Arshiya Limited	Holding Company	100%

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

(Rupees in Lakhs)

Name	Nature of Relationship	Nature of Transactions	As at March 31, 2023	As at March 31, 2022
Current Borrowings				
Arshiya Limited	Holding Company	Beginning of the year	1.68	1.25
		Loan taken	1.55	0.43
		Less: Loan repayments made	-	-
		End of the year	**3.23**	**1.68**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

12. SEGMENT REPORTING

There is no separate reportable segments (Business/ geographical), as per requirement of Ind As 108 "Operating Segment".

13. 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 **(Rupees in Lakhs)**

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
FINANCIAL ASSETS				
Amortised cost				
Cash and Cash Equivalents	-	-	-	-
Total	-	-	-	-
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	3.23	1.68	3.23	1.68
Trade Payables	0.36	0.79	0.36	0.79
Total	**3.59**	**2.47**	**3.59**	**2.47**

14. FINANCIAL RISK MANAGEMENT

The Company's activities expose to credit risk and liquidity risk .

(a) Credit risk
Credit risk arises from cash and cash equivalent and other financial assets are carried at amortised cost.

(b) Liquidity risk
The Company is not exposed to any significant liquidity risk.

15. 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 working 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.

16. KEY FINANCIAL RATIOS

Particulars	As at March 31, 2023	As at March 31, 2022	% Changes	Reason for deviation
(i) Current Ratio	-	-	-	
(ii) Debt Equity Ratio	(0.90)	(0.68)	32.28%	Debt Equity Ratio is increased due to increase in borrowings and accumulated losses.
(iii) Return on Equity Ratio	-36.96%	-38.07%	2.91%	
(iv) Return on Capital Employed	-311.11%	-100.00%	-211.11%	Return on Capital Employed Ratio is decreased due to accumulated losses.

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ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED MUMBAI

Particulars	As at March 31, 2023	As at March 31, 2022	% Changes	Reason for deviation
(v) Trade Receivables Turnover Ratio	-	-	-	
(vi) Trade Payables Turnover Ratio	1.95	1.22	59.03%	Trade Payable Turnover Ratio increased due to increased in trade payable.
(vii) Net Capital Turnover Ratio	-	-	-	
(viii) Net Profit Ratio	-	-	-	
(ix) Debt Service Coverage Ratio	-	-	-	
(x) Inventory Turnover Ratio	-	-	-	
(xi) Return on Investment	-	-	-	

Ratios	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities
Debt Equity Ratio	Total Debts	Total Equity
Return on Equity Ratio	Net Profit after tax	Average Total Equity [(Opening Equity Share capital + Opening Other equity + Closing Equity Share Capital + Closing Other Equity)/2
Return on Capital Employed	Profit Before interest & Tax	Total Equity + Total Debts
Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivable (Opening balance + closing balance) /2
Trade Payables Turnover Ratio	Other expenses	Average trade payables (Opening balance + closing balance) /2
Net Capital Turnover Ratio	Revenue from operations	Working Capital (Current assets - Current liabilities)
Net Profit Ratio	Net profit after tax	Revenue from operations
Debt Service Coverage Ratio	Earnings available for debt service (Net profit after tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost & lease payment + principle repayment of long term borrowings during the year
Inventory Turnover Ratio	Revenue from operations	Average Inventory (opening balance+ closing balance)/2
Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank

17. Taxation

17.1 Tax Reconciliation **(Rupees in Lakhs)**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Reconciliation of tax expense		
Loss before tax	(1.12)	(0.79)
Enacted income tax rate (%) applicable to the Company	26.00%	26.00%
Tax expenses calculated at enacted income tax rate	(0.29)	(0.21)
Effect of unused Tax Losses	0.29	0.21
Income tax expense recognised in statement of profit and loss	-	-

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

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ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED ★ MUMBAI

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

(Rupees in Lakhs)

Assessment Year	Business Loss	Available for utilisation till
2019-2020	0.26	A.Y. 2027-2028
2020-2021	1.57	A.Y. 2028-2029
2021-2022	0.85	A.Y. 2029-2030
2022-2023	0.79	A.Y. 2030-2031
2023-2024	1.12	A.Y. 2031-2032
Total	**4.59**	

Unused deferred tax assets as at March 31, 2023 amounting to Rs. 1.19 Lakh (March 31, 2022 - Rs. 0.90 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilised by the Company.

18. CONTINGENT LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Bond-cum Legal Undertaking (Refer note below)	464.00	464.00

Note:
Bond-cum Legal Undertaking has been given to SEZ Authority for safeguarding duty liability on goods stored in warehouses within FTWZ on behalf of Unit holders.

19. OTHER STATUTORY INFORMATION

(a) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(c) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(d) There are no transactions and outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act,1956.

20. Previous year's figures have been regrouped / rearranged wherever necessary to comply with requirement of Ind AS and Schedule III.

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Infrastructure Developers Private Limited

Navnit Choudhary
Director
DIN : 00613576

Ashutosh Shamra
Director
DIN : 00679252

ARSHIYA INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED MUMBAI

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Independent Auditor's Report

To the Members of Arshiya Lifestyle Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Arshiya Lifestyle Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2023**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ('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 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.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board of Director's Report, but does not include the consolidated financial statements and our auditor's report thereon. The Board of Director's Report is expected to be made available to us after the date of this auditor's report.

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Our opinion on the financial statements does not cover the other information and we do 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board of Director's 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

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

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

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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; and

- 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.

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    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 financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in **Annexure B** wherein we have expressed an unmodified opinion; and

    g) 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 as at 31 March 2023;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 41(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 41(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023; and

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 23508835BGXHYA8224

Place: Mumbai
Date: 30 May 2023

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Arshiya Lifestyle Limited on the financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its property, plant and equipment including right of use assets during the year. Further, the Company does not hold any intangible assets.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company does not have any outstanding loans (secured or unsecured), advances in the nature of loans (secured or unsecured), provided any guarantee or security to companies, firms, Limited Liability Partnerships (LLPs) or any other parties at the beginning of the year. The company has not made any investment, provided any guarantee or security or granted any loans/ advances in the nature of loans (secured or unsecured) to companies, firms, LLPs or any other parties during the year. Accordingly, reporting under clause 3(iii) (a) to (f) of the Order is not applicable to the Company.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.



Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Arshiya Lifestyle Limited on the financial statements for the year ended 31 March 2023

(vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of Statutory Dues outstanding for more than six months:

Name of the statute	Nature of the dues	Amount (INR in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1956	Interest on delayed payment of TDS	2.27	March 2022 to August 2022	Multiple dates	-

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) According to the information and explanations given to us, the Company did not raise any loans or other borrowings from any lender during the year and did not have any term loans or other borrowings at the beginning of the current year. Accordingly, reporting under clause 3(ix)(a) to 3(ix)(d) and 3(ix)(f)of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143 of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Arshiya Lifestyle Limited on the financial statements for the year ended 31 March 2023

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with section 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under Section 177 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We were unable to obtain some of the Internal Audit Reports of the Company on timely basis hence the Internal Audit Reports have been considered by us, only to the extent made available to us.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.



Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Arshiya Lifestyle Limited on the financial statements for the year ended 31 March 2023

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 23508835BGXHYA8224

Place: Mumbai
Date: 30 May 2023

Annexure B to the Independent Auditor's Report of even date to the members of Arshiya Lifestyle Limited on the financial statements for the year ended 31 March 2023

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Arshiya Lifestyle Limited** ('the Company') as at and for the year ended **31 March 2023**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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.

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Annexure B to the Independent Auditor's Report of even date to the members of Arshiya Lifestyle Limited on the financial statements for the year ended 31 March 2023

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 23508835BGXHYA8224

Place: Mumbai
Date: 30 May 2023

ARSHIYA LIFESTYLE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
(A) Non-Current assets			
(a) Property, plant and equipment	4	15.20	21.60
(b) Right of use assets	4a	4,156.71	8,874.30
(c) Financial assets			
(i) Investment in subsidiary	5	1.00	1.00
(ii) Trade receivables	8	1,125.79	-
(d) Income tax assets (net)	7	259.04	280.00
(e) Other non-current assets	10	-	43.67
Total non-current assets		**5,557.74**	**9,220.57**
Current assets			
(a) Financial assets			
(i) Trade receivables	8	1,186.22	1,943.84
(ii) Cash and cash equivalents	9	555.90	601.03
(iii) Other financial assets	6(b)	83.51	885.69
(b) Other current assets	10	1,897.00	1,303.98
Total current assets		**3,722.63**	**4,734.54**
Total assets		**9,280.37**	**13,955.11**
EQUITY AND LIABILITIES			
(A) Equity			
(a) Equity share capital	11	148.50	148.50
(b) Other equity	12	1,901.41	1,940.75
Total equity		**2,049.91**	**2,089.25**
(B) Liabilities			
Non current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	13	-	6,394.38
(ii) Other financial liabilities	14	871.83	637.83
(b) Provisions	17	4.98	4.41
(c) Other non-current liabilities	16	481.68	-
Total non-current liabilities		**1,358.49**	**7,036.62**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	15		
Micro enterprises and small enterprises		55.95	57.52
Other than micro enterprises and small enterprises		132.00	160.25
(ii) Lease liabilities	13	5,340.68	4,461.91
(iii) Other financial liabilities	14	46.87	47.54
(b) Other current liabilities	16	295.11	100.96
(c) Provisions	17	1.36	1.06
Total current liabilities		**5,871.97**	**4,829.24**
Total equtiy and liabilities		**9,280.37**	**13,955.11**

See accompanying notes in the financial statements.

This is the balance sheet referred to in our report even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

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

Ajay S Mittal
Director
DIN: 00226355
Place: Mumbai
Date: May 30, 2023

Arshiya Lifestyle Limited Mumbai

Navnit Choudhary
Director
DIN: 00613576
Place: Mumbai
Date: May 30, 2023

ARSHIYA LIFESTYLE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
(I) Income			
(a) Revenue from operations	18	9,221.46	9,807.03
(b) Other income	19	381.21	293.41
Total Income (a) + (b)		**9,602.67**	**10,100.44**
(II) Expenses			
(a) Warehousing and handling costs	20	1,377.26	232.81
(b) Business conducting fees	21	583.59	2,503.84
(c) Employee benefits expense	22	44.53	58.03
(d) Finance costs	23	1,293.27	1,829.27
(e) Depreciation expense	24	4,723.99	4,658.53
(f) Other expenses	25	1,574.16	792.65
Total expenses (a) to (f)		**9,596.80**	**10,075.13**
(III) Profit / (Loss) before tax (I-II)		**5.87**	**25.31**
(IV) Tax expense	26	45.38	8.84
(V) Profit / (Loss) for the year (III-IV)		**(39.51)**	**16.47**
(VI) Other comprehensive income (OCI) that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		0.17	(0.80)
Income tax impact on the above		-	0.22
Total other comprehensive income for the year		**0.17**	**(0.58)**
(VII) Total comprehensive income for the year		**(39.34)**	**15.89**
(VIII) Earnings per equity share (Face value per Equity share Rs.10)			
Basic and Diluted	27	(2.66)	1.11

See accompanying notes in the financial statements.

This is the statement of profit and loss referred to in our report even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

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

Ajay S Mittal
Director
DIN: 00226355
Place: Mumbai
Date: May 30, 2023

Arshiya Lifestyle Limited Mumbai

Navnit Choudhary
Director
DIN: 00613576
Place: Mumbai
Date: May 30, 2023

ARSHIYA LIFESTYLE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A Equity share capital

Particulars	(Amount in INR Lakhs)
Equity shares of INR 10 each issued, subscribed and fully paidup	
Balance as at March 31, 2021	148.50
Issuse of Equity Shares	-
Balance as at March 31, 2022	**148.50**
Issuse of Equity Shares	-
Balance as at March 31, 2023	**148.50**

B Other equity

(Amount in INR Lakhs)

Particulars	Reserves and Surplus		Deemed Capital Contribution	Total
	Securities Premium	Retained Earnings		
As at April 1, 2021	**962.50**	**(1,050.22)**	**2,009.18**	**1,921.46**
Profit for the year	-	16.47	-	**16.47**
Other comprehensive income for the year	-	(0.58)	-	**(0.58)**
Fair value of financial guarantee provided by the Parent on behalf of the Company	-	-	3.40	**3.40**
As at March 31, 2022	**962.50**	**(1,034.33)**	**2,012.58**	**1,940.75**
Loss for the year	-	(39.51)	-	**(39.51)**
Other comprehensive income for the year	-	0.17	-	**0.17**
As at March 31, 2023	**962.50**	**(1,073.67)**	**2,012.58**	**1,901.41**

C Total equity (Amount in INR Lakhs)

Particulars	Total
As at March 31, 2022	2,089.25
As at March 31, 2023	2,049.91

See accompanying notes in the financial statements.

This is the statement of changes in equity referred to in our report even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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

Ajay S Mittal
Director
DIN: 00226355
Place: Mumbai
Date: May 30, 2023

Navnit Choudhary
Director
DIN: 00613576
Place: Mumbai
Date: May 30, 2023

Arshiya Lifestyle Limited Mumbai

ARSHIYA LIFESTYLE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	**5.87**	**25.31**
Adjustments for:		
Depreciation expense	4,723.99	4,658.53
Allowance for doubtful debts	265.80	27.32
Finance costs	1,293.27	1,829.27
Net unrealised foreign exchange (gain)	(97.81)	(26.72)
Interest on fixed deposits	(3.03)	(3.18)
Interest on Income tax refund	(9.01)	(10.54)
Interest on financial assets carried at amortised cost	(292.11)	(260.82)
Operating profit before working capital changes	**5,886.97**	**6,239.17**
Movement in working capital:		
(Increase) in trade receivables	(536.18)	(852.52)
(Decrease) / Increase in trade payables	(29.83)	31.82
Decrease in other assets	209.54	587.40
Increase / (Decrease) in other liabilities and provisions	842.29	(174.59)
Cash generated from operations	**6,372.79**	**5,831.27**
Taxes paid (net of refunds)	(15.41)	31.58
Net cash generated from operating activities (A)	**6,357.37**	**5,862.85**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	-	(15.19)
Net cash used in investing activities (B)	**-**	**(15.19)**
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments towards finance lease liabilities	(5,515.61)	(4,506.59)
Interest paid towards finance lease liabilities	(886.89)	(1,410.89)
Net cash used in financing activities (C)	**(6,402.50)**	**(5,917.48)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(45.13)	(69.82)
Cash and Cash Equivalents at the beginning of the financial year	601.03	670.85
Cash and cash equivalents as at the end of the financial year (Refer note no. 9)	**555.90**	**601.03**

Notes:
1. The Cash Flow Statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard-7 on Statement of Cash Flows.

See accompanying notes in the financial statements.

This is the cash flow statement referred to in our report even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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

Ajay S Mittal
Director
DIN: 00226355
Place: Mumbai
Date: May 30, 2023

Navnit Choudhary
Director
DIN: 00613576
Place: Mumbai
Date: May 30, 2023

Arshiya Lifestyle Limited Mumbai

ARSHIYA LIFESTYLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate Information

These statements comprises of financial statements of Arshiya Lifestyle Limited (CIN : U74110MH2010PLC201330) for the year ended March 31, 2023. 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 205 & 206 (Part), 2nd Floor,Ceejay House, F-Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai Maharashtra 400018.

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 May 30, 2023.

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 to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 ('the Act'), other relevant provisions of the Act, the presentation, and disclosures requirement of Division II of Schedule III to the Act (Ind AS compliant Schedule III) as applicable.

The financial statements have been prepared on a historical cost convention and on accrual basis, except for certain financial assets and liabilities (including derivative instruments) and defined benefit plan liabilities being measured at fair value or amortised cost.

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) Investment in subsidiaries

Investments in subsidiaries are accounted at cost in accordance with Ind AS 27 "separate financial statements".

(c) 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	1-5 years
Leasehold Improvemnt	5 years
Plant and Machinery	15 years
Furniture and Fixtures	3-10 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.

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(d) 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.

(e) Leases

The Company has applied Ind AS 116 using the modified retrospective approach from April 01, 2019.

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 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 right-of-use 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. right-of-use 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 right-of-use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Right-of-use assets and Lease liability have been separately presented in the Balance Sheet note 4a and 13 respectively and lease payments have been classified as financing cash flows.

(f) 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 from services

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable considerations, if any, as specified in the contracts with the customers. Revenue excludes trade discounts and 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. 16 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 contract with customers

Revenue from contracts with customers includes warehousing storage income, FTWZ maintainence income, handling and value optimisation income and income from allied services. Revenue from rendering of services is recognised on an accrual basis as per the agreed terms.

Variable consideration

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which the Company will be entitled in exchange for transferring the promised services to the customer. Where customers are provided with discounts, rebates etc, such discounts and rebates will give rise to variable consideration. The Company follows the 'most likely amount' method in estimating the amount of variable consideration.

Contract balances

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised. Contract liabilities are recognised as revenue when the Company performs under the contract.

Trade receivables

A receivable represents the Company's right to an amount of consideration under the contract with a customer that is unconditional and realizable on the due date (i.e. only the passage of time is required before payment of the consideration is due). Trade receivable without a significant financing component is initially measured at the transaction price.





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.

(g) 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.

(h) 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 (unless it is a trade receivable without a significant financing component) 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. A trade receivable without a significant financing component is initially measured at the transaction price.

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.

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(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.

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.

(i) 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.

(j) 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.

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(ii) Leave entitlement and compensated absences

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.

Defined benefit plans

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.

(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.

(k) 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.

(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.

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(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.

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 to Lakhs in two decimal as per the requirement of Schedule III, unless otherwise stated.

(s) Unforeseeable losses

The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts (including derivative contracts) for which there were any material foreseeable losses.

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, 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

(vi) Recent Accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023

- **Ind AS 1 – Preparation of Financial Statements** – The Companies should now disclose "**Material** Accounting Policies" rather than "**Significant** Accounting **Policies**". Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.
- **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** – "Definition of '**change** in account **estimate**' has been replaced by revised definition of '**accounting estimate**'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:
  (a) Selection of a measurement technique (estimation or valuation technique)
  (b) Selecting the inputs to be used when applying the chosen measurement technique"
- **Ind AS 12 – Income Taxes –** Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Based on preliminary assessment, the Company does not expect the consequential amendments to have any significant impact in its financial statements.

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4. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR Lakhs)

Particulars	Plant and Equipments	Furniture and Fixtures	Office Equipment	Leasehold Improvement	Total
At Cost					
Balance as at March 31, 2021	**0.88**	**2.32**	**16.50**	**-**	**19.70**
Additions during the year	-	-	0.23	14.96	15.19
Balance as at March 31, 2022	**0.88**	**2.32**	**16.73**	**14.96**	**34.89**
Additions during the year	-	-	-	-	-
Balance as at March 31, 2023	**0.88**	**2.32**	**16.73**	**14.96**	**34.89**
ACCUMULATED DEPRECIATION					
Balance as at March 31, 2021	**0.01**	**0.49**	**7.52**	**-**	**8.02**
Depreciation for the year	0.06	0.47	3.55	1.19	5.27
Balance as at March 31, 2022	**0.07**	**0.96**	**11.07**	**1.19**	**13.29**
Depreciation for the year	0.06	0.47	3.02	2.85	6.40
Balance as at March 31, 2023	**0.13**	**1.43**	**14.09**	**4.04**	**19.69**
Net Carrying value as at March 31, 2022	**0.81**	**1.36**	**5.66**	**13.77**	**21.60**
Net Carrying value as at March 31, 2023	**0.75**	**0.89**	**2.64**	**10.92**	**15.20**

4a. RIGHT TO USE ASSETS

(Amount in INR Lakhs)

Particulars	Buildings
AT COST	
Balance as at March 31, 2021	**22,012.05**
Additions during the year	525.24
Modifications during the year	-
Balance as at March 31, 2022	**22,537.29**
Additions during the year	-
Modifications during the year	-
Balance as at March 31, 2023	**22,537.29**
ACCUMULATED DEPRECIATION	
Balance as at March 31, 2021	**9,009.73**
Depreciation for the year	4,653.26
Balance as at March 31, 2022	**13,662.99**
Depreciation for the year	4,717.59
Modifications during the year	-
Balance as at March 31, 2023	**18,380.58**
Net Carrying value as at March 31, 2022	**8,874.30**
Net Carrying value as at March 31, 2023	**4,156.71**

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5. INVESTMENT

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current-unquoted		
Investments in Equity Instruments of Subsidiary at cost (Refer note below)	1.00	1.00
Total	**1.00**	**1.00**
Aggregate value of Unquoted Investments	1.00	1.00
Aggregate amount of impairment in investments	-	-

Note:
10,000 (as at March 31, 2022: 10,000) Equity shares of Arshiya Panvel FTWZ Services Private Limited of the face value of Rs. 10 each, fully paid up Rs. 1 Lakhs (as at March 31, 2022: Rs. 1 Lakhs)

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, 2023	As at March 31, 2022
(a) Non Current		
Security deposits placed with sub-lessor (Refer note No.31(vi) and 38)	-	2,434.28
Less: Amount retained by sub-lessor from upfront lease payment payable to the parent	-	(2,434.28)
Total	**-**	**-**
(b) Current		
Financial assets carried at amortised cost		
Interest Accrued	35.69	32.62
Unbilled Revenue [Also refer note No.31(vi)]	0.05	800.00
Security deposit to supplier	0.20	0.20
Other recoverables from related parties [Refer note No.31(vi)]	47.57	52.87
Security deposits placed with sub-lessor (Refer note No.31(vi) and 38)	5,786.74	3,060.34
Less: Amount retained by sub-lessor from upfront lease payment payable to the parent	(5,786.74)	(3,060.34)
	-	-
Total	**83.51**	**885.69**

7. INCOME TAX ASSETS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Income Tax Assets	259.04	280.00
Total	**259.04**	**280.00**

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8. TRADE RECEIVABLES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Trade Receivables		
Considered good - Secured	-	-
Considered good - Unsecured *	1,125.79	-
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable- credit impaired	-	-
	1,125.79	**-**
Less: Allowance for doubtful debts (expected credit loss allowance)	-	-
Total	**1,125.79**	**-**
Current		
Trade Receivables		
Considered good - Secured	59.61	54.69
Considered good - Unsecured *	1,126.61	1,889.15
Trade Receivable which have significant increase in credit risk	433.47	160.67
Trade Receivable- credit impaired	6.41	13.41
	1,626.10	**2,117.92**
Less: Allowance for doubtful debts (expected credit loss allowance) (refer note below-A)	(439.88)	(174.08)
Total	**1,186.22**	**1,943.84**

* Refer note 31(iv), for trade receivables from related parties.

A) MOVEMENT IN THE ALLOWANCE FOR DOUBTFUL DEBTS (EXPECTED CREDIT LOSS ALLOWANCE)

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	174.08	146.76
Add: Impairment losses recognised during the year	265.80	27.32
Balance at the end of the year	**439.88**	**174.08**

B) TRADE RECEIVABLES AGING SCHEDULE

Outstanding for following periods from due date of payment	As at March 31, 2023	As at March 31, 2022
Non Current		
Undisputed Trade Receivables – considered good		
Not due	1,125.79	-
Less than 6 months	-	-
6 months to 1 year	-	-
1 year to 2 years	-	-
2 years to 3 years	-	-
more than 3 years	-	-
Total	**1,125.79**	**-**
Current		
Undisputed Trade Receivables – considered good		
Not due	81.71	513.46
Less than 6 months	711.56	1,310.37
6 months to 1 year	341.09	98.76
1 year to 2 years	49.41	19.71
2 years to 3 years	1.58	0.80
more than 3 years	0.87	0.74
Total	**1,186.22**	**1,943.84**
Undisputed Trade Receivables – which have significant increase in credit risk		
Not due	-	-
Less than 6 months	19.37	11.45
6 months to 1 year	324.71	105.92
1 year to 2 years	81.88	42.29
2 years to 3 years	6.57	1.01
more than 3 years	0.94	-
Total	**433.47**	**160.67**
Undisputed Trade Receivables – credit impaired		
Not due	-	-
Less than 6 months	-	-
6 months to 1 year	-	-
1 year to 2 years	-	1.56
2 years to 3 years	1.56	6.15
more than 3 years	4.85	5.70
Total	**6.41**	**13.41**
Disputed Trade Receivables – considered good	-	-
Total	**-**	**-**
Disputed Trade Receivables – which have significant increase in credit risk	-	-
Total	**-**	**-**
Disputed Trade Receivables – credit impaired	-	-
Total	**-**	**-**

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9. CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.03	0.04
Balances with banks on current accounts (refer below note)	555.87	600.99
Total	**555.90**	**601.03**

Note: Cash and cash equivalents as at March 31, 2023: 555.44 Lakhs (March 31, 2022: 600.56 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 Private Limited (formerly known as Ascendas Panvel FTWZ Limited) ("APFPL") & Bank.

10. OTHER ASSETS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non Current		
- Prepaid Expenses	-	30.59
- Financial Guarantee (Refer note below)	-	13.08
Total	**-**	**43.67**
(b) Current		
Advances other than Capital advances		
- Advance to related party [Refer note No.31 (iv)]	1,847.45	1,211.77
- Advance to suppliers	0.53	3.15
- Advance to employees	1.70	2.00
Others		
- Prepaid expenses	31.45	38.22
- Balances with Government Authorities	2.79	2.48
- Financial Guarantee (Refer note below)	13.08	46.36
Total	**1,897.00**	**1,303.98**

Note:
Corporate guarantee given by the Parent, Arshiya Limited, to Ascendas Panvel FTWZ Private Limited (formerly known as Ascendas Panvel FTWZ 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	Number	Amount (in INR Lakhs)
As At March 31, 2022	30,00,000	300.00
As At March 31, 2023	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 April 01, 2021	**14,85,000**	**148.50**
Movement during the year	-	-
As At March 31, 2022	**14,85,000**	**148.50**
Movement during the year	-	-
As At March 31, 2023	**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, 2023	As at March 31, 2022
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, 2023		As at March 31, 2022	
	Number	% Holding	Number	% Holding
Equity shares of INR 10 each fully paid				
Arshiya Limited	14,85,000	100%	14,85,000	100%

vi. Details of promoter shareholding

Particulars	As at March 31, 2023	As at March 31, 2022
Name of promoter	Arshiya Limited	Arshiya Limited
Number of shares	14,85,000	-
% of total shares	100%	100%
% Change during the year	-	-

vii. No additional shares were allotted as fully paid up by way of bonus shares or for consideration other than cash and also no shares have been brought back within the last five years.

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12. OTHER EQUITY

Reserves and Surplus **(Amount in INR Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Securities Premium	962.50	962.50
(b) Retained Earnings	(1,073.67)	(1,034.33)
(c) Deemed Capital Contribution	2,012.58	2,012.58
	1,901.41	**1,940.75**

(a) Securities Premium **(Amount in INR Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
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	As at March 31, 2023	As at March 31, 2022
Opening balance	(1,034.33)	(1,050.22)
Profit / (Loss) for the year	(39.51)	16.47
Other comprehensive income for the year	0.17	(0.58)
Closing balance	**(1,073.67)**	**(1,034.33)**

Retained Earning
Retained Earning are the profit/(loss) of the company earned till the date net of appropriations.

(c) Deemed Capital Contribution **(Amount in INR Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	2,012.58	2,009.18
During the year	-	3.40
Closing balance	**2,012.58**	**2,012.58**

Deemed Capital contribution comprises notional interest on security deposits received by Ascendas Panvel FTWZ Private Limited (formerly known as 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. LEASE LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non Current		
Lease Liabilities [(Refer note No. 29 (iii)]	-	6,394.38
Total	**-**	**6,394.38**
(b) Current		
Lease Liabilities [(Refer note No. 29 (iii)]	5,340.68	4,461.91
Total	**5,340.68**	**4,461.91**

14. OTHER FINANCIAL LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non Current		
Security Deposits from customers	871.83	637.83
Total	**871.83**	**637.83**
(b) Current		
Security Deposits from customers	40.19	39.24
Employees benefit Payable	6.68	8.30
Total	**46.87**	**47.54**

15. TRADE PAYABLES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Micro enterprises and small enterprises (Refer note below-A)	55.95	57.52
Other than micro enterprises and small enterprises	132.00	160.25
Total	**187.95**	**217.77**

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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, 2023	As at March 31, 2022
Principal amount payable to suppliers under the Act		
- For capital goods	-	-
- For Others	-	-
Principal amount due to suppliers under MSMED Act, 2006	55.19	56.73
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.76	0.79
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under the Act	-	-
Interest due and payable to suppliers under the Act, for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	0.76	0.79
The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowances under Section 23 of the Act	-	-

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.

B) TRADE PAYABLES AGING SCHEDULE

(Amount in INR Lakhs)

Outstanding for following periods from due date of payment	As at March 31, 2023	As at March 31, 2022
Current		
Micro enterprises and small enterprises		
- Not due*	35.44	-
- Less than 1 year	20.51	50.03
- 1 year to 2 years	-	7.49
- 2 year to 3 years	-	-
- More then 3 years	-	-
Total	**55.95**	**57.52**
Other than micro enterprises and small enterprises		
- Not due*	53.80	82.25
- Less than 1 year	50.86	75.28
- 1 year to 2 years	27.18	0.07
- 2 years to 3 years	0.16	2.65
- More then 3 years	-	-
Total	**132.00**	**160.25**
Disputed dues to micro enterprises and small enterprises	-	-
Total	**-**	**-**
Disputed dues to Other than micro enterprises and small enterprises	-	-
Total	**-**	**-**

* Not due includes unbilled expenses INR 54.67 Lakh (March 31, 2022 - INR 68.59 Lakh).

16. OTHER LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non current		
Advance warehousing rent	481.68	-
Total	**481.68**	**-**
Current		
Advance received from Customers	4.24	4.63
Advance warehousing rent	111.99	52.33
Statutory Liabilities (Refer note below "A & B")	178.88	44.00
Total	**295.11**	**100.96**

Note:
A) Statutory dues includes Tax Deducted at Source, Provident Fund, Profession Tax, Employees State Insurance Corporation and Interest payable for delayed payments of statutory dues.

B). DETAILS OF STATUTORY DUES AGEING

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues Ageing		
Less then six months	176.61	42.97
More then six months	2.27	1.03
Total	**178.88**	**44.00**

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17. PROVISIONS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non Current		
Provision for employee benefits		
Gratuity (Refer note No. 28)	3.66	3.19
Compensated absences	1.32	1.22
	4.98	**4.41**
(b) Current		
Provision for employee benefits		
Gratuity (Refer note No. 28)	0.96	0.71
Compensated absences	0.40	0.35
Total	**1.36**	**1.06**





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18. REVENUE FROM OPERATIONS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services		
Warehousing services	7,314.59	9,148.82
Handling and other services	646.87	658.21
FTWZ maintenance income	1,260.00	-
Total	**9,221.46**	**9,807.03**

19. OTHER INCOME

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on		
- Interest on security deposit carried at amortised cost	3.03	3.18
- Financial assets carried at amortised cost (Refer note no. 40)	292.11	260.82
- Income tax refund	9.01	10.54
Net gain on foreign currency transactions and translation	73.40	16.54
Sundry Balances written back	3.66	2.33
Total	**381.21**	**293.41**

20. WAREHOUSING AND HANDLING COST

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Handling equipment hire charges	62.92	94.17
Labour Charges	114.34	138.64
FTWZ Mainteance cost	1,200.00	-
Total	**1,377.26**	**232.81**

21. BUSINESS CONDUCTING FEES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Business conducting fees (Refer note no. 39)	583.59	2,503.84
Total	**583.59**	**2,503.84**

22. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	41.26	51.84
Contribution to provident and other funds	2.14	3.35
Staff welfare expenses	0.24	2.05
Gratuity Expense	0.89	0.79
	44.53	**58.03**

23. FINANCE COSTS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on unwinding deposit (Refer note no. 40)	353.88	340.99
Interest expenses on unwinding lease liabilities [Refer note No. 29(iv)]	886.89	1,410.89
Interest on Delayed Payment of Statutory Dues	5.38	0.62
Interest on Micro enterprises and small enterprises vendors	0.76	0.79
Guarantee Commission expense	46.36	75.98
Total	**1,293.27**	**1,829.27**

24. DEPRECIATION EXPENSE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense on property, plant and equipment	6.40	5.27
Depreciation expense on right of use of assets [Refer note No. 29 (vi)]	4,717.59	4,653.26
Total	**4,723.99**	**4,658.53**

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25. OTHER EXPENSES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Electric power, fuel and water	336.12	290.76
Repairs and maintenance		
-Building	19.89	35.03
-Plant & Machinery	54.36	32.15
-Others	1.27	3.12
Insurance	45.31	32.06
Payments to auditors (Refer note below-(a))	14.28	17.46
Bad debts written off	505.56	-
Legal and professional fees	17.68	21.92
Rates and taxes	37.18	36.38
Travelling and conveyance expenses	76.25	69.14
Allowance for doubtful debts	265.80	27.32
Security charges	191.42	219.16
Miscellaneous expenses	9.04	8.15
Total	**1,574.16**	**792.65**

(a). Details of auditors' remuneration (excluding GST)

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
Audit Fee	9.00	13.00
Other attest services and out of pocket expenses	5.28	4.46
Total	**14.28**	**17.46**

26. TAX EXPENSES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	45.38	8.84
Total	**45.38**	**8.84**

27. EARNINGS PER EQUITY SHARE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit / (loss) after tax (A) (in INR lakhs)	(39.51)	16.47
Weighted average number of equity shares used as the denominator (B)		
Weighted average number of equity shares used as the denominator in calculating basic / diluted earnings per share	14,85,000	14,85,000
Basic and diluted earnings per equity share (A/B) (in INR lakhs)	(2.66)	1.11

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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 2.14 Lakhs (March 31, 2022: INR 3.35 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, 2023	Year ended March 31, 2022
Defined Benefit Obligation at the begining of the year	3.90	2.31
Current service cost	0.65	0.66
Interest cost	0.24	0.13
Remeasurements - Actuarial (gain)/ loss		
- Change in demographic assumptions	-	(0.01)
- Change in financial assumptions	(0.25)	(0.08)
- experience variance	0.08	0.89
Benefits paid	-	-
Liabilities transfer in	-	-
Defined Benefit obligation at year end	**4.62**	**3.90**

The Closing liability towards the above plan is as follows:

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non current	3.66	3.19
Current	0.96	0.71

(b) Expenses recognised in the statement of profit and loss :

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	0.65	0.66
Interest cost	0.24	0.13
Net Cost	**0.89**	**0.79**
In Other Comprehensive Income		
Remeasurements - Actuarial gain/ (loss) for the year on defined benefits obligations	0.17	(0.80)
Recognised in OCI	**0.17**	**(0.80)**

(c) Actuarial assumptions:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.30%	6.10%
Salary escalation rate	5.00%	5.00%
Withdrawal Rate	20.00%	20.00%
Mortality Rate	100% IALM (2012-2014)	100% IALM (2012-2014)

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	Year ended March 31, 2023	Year ended March 31, 2022
(I) Impact of the change in discount rate		
Present value of obligation at the end of the period	4.62	3.90
(i) Impact due to increase of 0.50%	(0.10)	(0.09)
(ii) Impact due to decrease of 0.50%	0.10	0.09
(II) Impact of the change in salary increase		
Present value of obligation at the end of the period	4.62	3.90
(i) Impact due to increase of 0.50%	0.10	0.09
(ii) Impact due to decrease of 0.50%	(0.10)	(0.09)
(III) Impact of the change in attrition rate		
Present value of obligation at the end of the period	4.62	3.90
(i) Impact due to increase of 50%	0.04	(0.07)
(ii) Impact due to decrease of 50%	(0.18)	0.01
(IV) Impact of the change in mortality rate		
Present value of obligation at the end of the period	4.62	3.90
(i) Impact due to increase of 10%	-	-
(ii) Impact due to decrease of 10%	-	-

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.

(iii) Defined benefit plan - Compensated absences
Compensated absences is a non funded plan. The obligation towards this plan is recognised in the same manner as gratuity. The amount recognised as per expense is included in Note no. 22 . The closing liability towards the above plan is as below:

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non current	1.32	1.22
Current	0.40	0.35

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29. 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 assets (ROU) at an amount equal to the lease liabilities.

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

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	**8,874.30**	**13,002.32**
Additions during the year	-	525.24
Modifications during the year	-	-
Less: Depreciation charge for the year	(4,717.59)	(4,653.26)
Closing Balance	**4,156.71**	**8,874.30**

(ii) Movment of Lease liabilities

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	**10,856.29**	**14,837.64**
Additions during the year	-	525.24
Modifications during the year	-	-
Add: Interest expenses on unwinding lease liabilities	886.89	1,410.89
Less: Payment of lease liabilities and interest thereon	(6,402.50)	(5,917.48)
Closing Balance	**5,340.68**	**10,856.29**

(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, 2023	As at March 31, 2022
Future Non-Cancellable minimum lease commitments		
Within one year	5,567.89	6,403.76
More than one year but not less than five years	-	5,567.89
More than five years	-	-
Total undiscounted lease liabilities	**5,567.89**	**11,971.65**
Lease liabilities included in the Balance sheet		
Current Lease liabilities	5,340.68	4,461.91
Non-current Lease liabilities	-	6,394.38
	5,340.68	**10,856.29**

(iv) Amount recognised in the Statement of Profit and Loss

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Lease Liabilities	886.89	1,410.89
Depreciation expense on right of use of assets	4,717.59	4,653.26

(v) Amount recognised in the Statement of Cash Flow

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payments towards finance lease liabilities	5,515.61	4,506.59
Interest paid towards finance lease liabilities	886.89	1,410.89

(Amount in INR Lakhs)

30. CONTINGENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
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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31. 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	Wholly owned Subsidiary
List of Related party and relationship, with whom transactions have taken place	
Arshiya Logistics Services Limited	Fellow Subsidiary
Anomalous Infra Private Limited	Fellow Subsidiary (Up to March 28, 2022)
Laxmipati Balaji Supply Chain Management Limited	Enterprise owned or significantly influenced by key management personnel of Parent Company or their relatives

(ii) Key managerial personnel (KMP)

Mr. Ajay S Mittal-Director
Mr. Ashish Bairagra-Independent Director
Mr. Rishabh Shah-Independent Director
Mr. Navnit Choudhary-Director
Mr. Pramod Raghavan (till August 16, 2021)
Mr. Sarvothama Shetty-Director
Mr. Vinod Parekh (till May 31, 2021)

Note : The KMP's are Directors / Promotors / Employees of the Parent Company. No remuneration has been paid to them by the Company for their services rendered to the Company.

(iii) 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, 2023	As at March 31, 2022
Arshiya Limited	Business conducting fees	583.59	2,503.84
Arshiya Limited	FTWZ Mainteance cost	1,200.00	-
Arshiya Limited	Income billed to customer on behalf of the Company	210.89	221.85
Arshiya Limited	Corporate guarantee received	-	589.65
Arshiya Limited	Corporate guarantee reduced#	6,440.01	6,067.48
Arshiya Logistics Services Limited	Warehousing and handling services income	3,041.10	5,949.66
Arshiya Logistics Services Limited	FTWZ Mainteance income	1,260.00	-
Arshiya Limited	Cost sharing	321.63	357.14
Arshiya Limited	Interest expense on unwinding deposit	292.11	260.82
Arshiya Limited	Guarantee Commission expense	46.36	75.98
Anomalous Infra Private Limited	Income billed to customer on behalf of fellow Subsidiary	-	190.74
Anomalous Infra Private Limited	Cost Allocation	-	4.57
Arshiya Panvel FTWZ Services Private Limited	Cost Allocation	6.71	-
Laxmipati Balaji Supply Chain Management Limited	Cost Allocation	47.57	52.87
Laxmipati Balaji Supply Chain Management Limited	Electricity expense	219.19	191.30
Laxmipati Balaji Supply Chain Management Limited	Security deposit given	17.00	-
Laxmipati Balaji Supply Chain Management Limited	Security deposit received back	17.00	-

Also see note 12(c) for deemed capital contribution from Arshiya Limited.

(iv) Outstanding balances arising from sales/purchases of services **(Amount in INR Lakhs)**

Name of Related Parties	Nature of outstanding balances	As at March 31, 2023	As at March 31, 2022
Arshiya Logistics Services Limited	Trade Receivables	1,125.79	1,198.78
Arshiya Logistics Services Limited	Unbilled Revenue	-	800.00
Laxmipati Balaji Supply Chain Management Limited	Trade Payable	3.76	2.31
Arshiya Limited	Advance to supplier	1,847.45	1,211.77
Laxmipati Balaji Supply Chain Management Limited	Others Recoverable	47.57	52.87





(v) Outstanding balance arising from Investment **(Amount in INR Lakhs)**

Name of Related Parties	Nature of Relationship	As at March 31, 2023	As at March 31, 2022
Investment			
Arshiya Panvel FTWZ Services Private Limited	Wholly owned Subsidiary	1.00	1.00

(vi) Loans from related parties **(Amount in INR Lakhs)**

Name of Related Parties	Particulars	As at March 31, 2023	As at March 31, 2022
Arshiya Limited-(Parent Company)	Beginning of the year Loans (Liability)	-	-
	Amount retained by sub-lessor from upfront lease payment payable to the parent (Refer note No. 40)	6,060.33	6,060.33
	Less: Security deposits placed with sub-lessor(Refer note No. 40)	(6,060.33)	(6,060.33)
	Less: Loan repayments made	-	-
	End of the year Loans (Liability)	-	-
	Amount retained by sub-lessor from upfront lease payment payable to the parent (Refer note No. 40)	6,060.33	6,060.33
	Less: Security deposits placed with sub-lessor (Refer note No. 40)	(6,060.33)	(6,060.33)

(vii) Corporate guarantee **(Amount in INR Lakhs)**

Name of Related Parties	Particulars	As at March 31, 2023	As at March 31, 2022
Arshiya Limited - (Parent Company)	Beginning of the year	12,257.32	17,735.15
	Corporate guarantee taken	-	589.65
	Corporate guarantee reduced#	(6,440.01)	(6,067.48)
	End of the year	**5,817.31**	**12,257.32**

#Corporate guarantee reduced represents lease rent paid by the company as per sub-lease agreement dated February 03, 2018 which does not include the effect of rental rebate received subsequently.

(viii) As at March 31, 2023, the Company has has extended the timeline of oustanding trade receivables till April 01, 2024 and given commitment to provide funds in the form of loans to the tune of INR 2,200.00 lakhs based on the liquidity situation of Arshiya Logistics Services Limited (March 31, 2022: Nil).

32. 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.

33. FAIR VALUE MEASUREMENTS

Fair value of Financial assets and financial liabilities that are not measured at Fair value, but their value disclosures are

i. Financial Instruments by Category **(Amount in INR Lakhs)**

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	2,312.01	1,943.84	2,312.01	1,943.84
Cash and Cash Equivalents	555.90	601.03	555.90	601.03
Other Financial Assets	83.51	885.69	83.51	885.69
	2,951.42	**3,430.56**	**2,951.42**	**3,430.56**
FINANCIAL LIABILITIES				
Amortised cost				
Trade Payables	187.95	217.77	187.95	217.77
Lease Liabilities	5,340.68	10,856.29	5,340.68	10,856.29
Other Financial Liabilities	918.70	685.37	918.70	685.37
	6,447.33	**11,759.43**	**6,447.33**	**11,759.43**

The management have assessed that the fair value of trade receivables, cash and cash equivalent, other financial assets, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.





34. 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. The Company takes advances and security deposits from some of its customers, which mitigate the credit risk to an extent.
Concentration of Revenues (from such customers revenue generation is 10% or more of the total revenue during year) 61.66% of total revenue from two customers for the year ended March 31, 2023 and 71.27% of total revenue from two customers for the year ended March 31, 2022. out of which revenue from fellow subsidiary is 46.64% and 61.16% respectively. Concentration of trade receivables (from such customers receivable is 10% or more of the total trade receivable at the end of year) five customers of the company is 89.08% of total trade receivables as at March 31, 2023 and from two customer 68.40% of total trade receivable as at March 31, 2022 out of which trade receivable from fellow subsidiary is 40.91% and 56.60% 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 and Company's view of economic conditions over the expected lives of the receivables.. The Company has recognised Rs. 439.88 Lakhs as at March 31, 2023 (Rs. 174.08 Lakhs as at March 31, 2022) 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, 2023	As at March 31, 2022
Non-current		
Trade receivables		
Considered good - Secured	-	-
Considered good - Unsecured *	1,125.79	-
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable- credit impaired	-	-
	1,125.79	**-**
Current		
Trade receivables		
Considered good - Secured	59.61	54.69
Considered good - Unsecured *	1,126.61	1,889.15
Trade Receivable which have significant increase in credit risk	433.47	160.67
Trade Receivable- credit impaired	6.41	13.41
Total	**1,626.10**	**2,117.92**
Less: Allowance for doubtful debts (expected credit loss allowance) (refer note below)	(439.88)	(174.08)
Total	**2,312.01**	**1,943.84**

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, 2023	As at March 31, 2022
Balance at the beginning of the year	174.08	146.76
Add/(Less): Movement during the year	265.80	27.32
Balance at the end of the year	**439.88**	**174.08**

(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. The contractual maturity of financial liabilities is as under:

As at March 31, 2023 (Amount in INR Lakhs)

Particulars	Repayable on demand	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Lease liabilities	-	5,567.89	-	-	**5,567.89**
Trade payables	-	187.95	-	-	**187.95**
Other financial liabilities	-	46.87	1,466.65	-	**1,513.52**

As at March 31, 2022 (Amount in INR Lakhs)

Particulars	Repayable on demand	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Lease liabilities	-	6,403.76	5,567.89	-	**11,971.65**
Trade payables	-	207.56	10.21	-	**217.77**
Other financial liabilities	-	47.54	637.83	-	**685.37**

(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.

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(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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade receivables				
USD	26.41	16.88	2,171.19	1,279.37
EUR	0.04	0.04	3.21	3.68
Advance from customer				
USD	0.05	-	3.98	-
Security deposit from customer				
USD	0.01	0.01	0.58	0.53
Balance with banks				
USD	0.08	-	6.57	-

(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. 21.76 Lakhs for the year ended March, 31 2023 and by Rs. Rs. 12.83 Lakhs for the year ended March 31, 2022.

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(Amount in INR Lakhs)

Particulars	Increase/(decrease) in profit before tax	
	As at March 31, 2023	As at March 31, 2022
Increase by 1% on closing rate of reporting date	21.76	12.83
(Decrease) by 1% on closing rate of reporting date	(21.76)	(12.83)

35. 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 does not have outstanding borrowings as at reporting date.
The Company's objective for capital management is to maintain an optimum overall, working capital.

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36. KEY FINANCIAL RATIOS (to the extent applicable)

(Amount in Lakhs)

Sr No.	Particulatrs	Year ended March 31, 2023	Year ended March 31, 2022	Variation	Reason for deviation
1	Current Ratio	0.63	0.98	-35.34%	Current assets decreased due to additional provision for doubtful debts and increase in trade payables.
2	Return on Equity Ratio	-1.91%	0.79%	-341.09%	Due to increase in losses.
3	Trade Receivables Turnover Ratio	4.33	6.46	-32.93%	Primarily due to additional provision of receivables and decreased in revenues as compared to previous period.
4	Trade Payables Turnover Ratio	13.62	17.62	-22.68%	-
5	Net Capital Turnover Ratio	(4.29)	(103.55)	-95.86%	Due to lower efficiency on working capital and reduced in revenue has resulted in reduction in the ratio.
6	Net Profit Ratio	-0.43%	0.17%	-355.16%	Net Profit ratio decreased due to increased in losses.
7	Return on Capital employed	14.85%	20.32%	-26.92%	Return of Capital employed increased due to payment of Lease liabilities.

A). DETAILS OF NUMERATOR AND DENOMINATOR TAKEN FOR CALCULATION OF ABOVE RATIO

Sr No.	Particulatrs	Numerator Taken in above formula	Denominator Taken in above formula
1	Current Ratio	Current assets	Current liabilities
2	Return on Equity Ratio	Profit after tax	Average of total equity
3	Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivables
4	Trade Payables Turnover Ratio	Warehousing and handling costs +Business conducting fees+other expenses (exculding ECL provision & Bad debts).	Average trade payables
5	Net Capital Turnover Ratio	Revenue from operations	Working capital [Current assets - Current liabilities
6	Net Profit Ratio	Profit after tax	Revenue from operations
7	Return on Capital employed	Earnings before interest and tax.	Capital employed [Total assets - Current liabilities + Current borrowings + Lease liabilities]

37. TAX RECONCILIATION

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Reconciliation of tax expense		
Profit before tax	5.87	25.31
Enacted income tax rate (%) applicable to the Company#	26.00%	27.82%
Tax expenses calculated at enacted income tax rate	1.53	7.04
Related to Property plant and equipment	0.85	0.71
Effect of expenses that are not deductible in determining taxable profit	1,297.62	1,303.08
Effect of income that are not considered in determining taxable profit	(1,433.85)	(1,222.22)
Tax holiday benefit avail under section 80IAB of Income Tax Act, 1961	133.85	(88.61)
Tax paid under provision of Minimum Alternate Tax (MAT)*	45.38	8.62
Income tax expense recognised in profit or loss	45.38	8.62

The tax rate used for reconciliation above is the corporate tax rate of 26.00 % (March 31, 2022 - 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.

Deferred tax asset of INR 37.66 Lakh on unused tax losses and tax offsets have not been recognised since these are expected to be realised within tax holiday period.

A). MOVEMENT IN INCOME TAX ASSET / (LIABILITY) IS AS FOLLOWS :

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net Income tax asset at the beginning	269.46	309.66
Income tax refund / (paid)	15.41	(31.58)
Income tax expenses	(45.38)	(8.62)
Net Income tax asset at the end	**239.49**	**269.46**

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38. REVENUE FROM CONTRACTS WITH CUSTOMERS (IND AS 115)

The Company disaggregates revenue from contracts with customers by type of services, geography and timing of revenue recognition. Revenue disaggregation by type of services is given note no. 18.

a) Reconciliation of contract liabilities as at the beginning and at the end of the year is as follows:

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance of contract liabilities	4.63	0.24
Add: Contract liabilities recognised during the year	-	4.39
Less: Revenue recognised out of contract liabilities	(0.39)	-
Less: Refund and write back made	-	-
Closing balance of contract liabilities [Refer note no-16(a)]	**4.24**	**4.63**

b) Revenue earned from :

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current and Non-Current		
Trade receivables (net carrying value)	2,312.01	1,943.84
Total	**2,312.01**	**1,943.84**

c) Revenue disaggregation by geography is as follows:

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	9,221.46	9,807.03
Outside India	-	-
Total	**9,221.46**	**9,807.03**

d) Revenue disaggregation by timing of revenue recognition is as follows:

(Amount in INR Lakhs)

Geography	Year ended March 31, 2023	Year ended March 31, 2022
Services transferred over time	8,574.59	9,148.82
Services Transferred at a point in time	646.87	658.21
Total	**9,221.46**	**9,807.03**

e) Reconciliation of Revenue from Operation with contract price:

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contract Price	9,432.35	10,219.62
Reduction towards reimbursement of Income billed to customer on behalf of the Subsidiary	(210.89)	(412.59)
Total	**9,221.46**	**9,807.03**

39. 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 Arshiya Panvel FTWZ Services Private Limited (APFPL) (formerly known as Ascendas Panvel FTWZ 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 APFPL and Sub-Lease of the said Six Warehouses by APFPL 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. 583.59 Lakhs during the year ended March 31, 2023 (year ended March 31, 2022: Rs. 2,503.84 Lakhs).

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Arshiya Lifestyle Limited Mumbai

40. Ascendas Panvel FTWZ Private Ltd (formerly known as Ascendas Panvel FTWZ Limited ('the Sub-lessor' or 'APFPL') has retained Rs. 6,060.33 lakhs (March 31, 2022: Rs. 6,060.33 lakhs) from the consideration by way of lump sum rent ('Upfront Lease Payment') payable by APFPL 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 APFPL 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 ('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 APFPL 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 APFPL and payable to AL. The related finance income and finance expenses arising on discounting of security deposits with APFPL and payable to AL are disclosed under Notes 19 and 23, respectively.

41. OTHER STATUTORY INFORMATION

(a) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(c) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(d) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(e) The Company do not have any pending creation of charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(f) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(h) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017..

(i) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(j) The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company.

(k) There are no transactions and outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act,1956..

42. The Parliament of India has approved the Code on Social security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post-employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, on the Company will be assessed and recognised post notification of the relevant provisions by the management.

43. During the year ended 31 March 2023, the Company has reported a loss after tax of INR 39.51 lakhs. Such loss after tax comprises of certain non-cash items such as allowances for doubtful debts and bad debts written off. After adjusting for these allowances and write-offs, Company has earned profits approximating to INR 731.85 lakhs. Similarly, while the current liabilities exceed the current assets by INR 2,149.34 lakhs, such position has arisen due to classification of few receivables as non-current on account of deferment amounting to INR 1,125.79 lakhs and due to allowances/write offs amounting to INR 771.36 lakhs. The Company does not have any borrowings. Further, the arrangement regarding expense of 'Business conducting fees' is such that it is directly related to profits of the Company and in absence of profits, such expense is not incurred. Based on future business projections prepared, the Company estimates that sufficient cash flows shall be available for sustaining the operations for forthcoming year. Additionally, management believes that Government's focus on logistics infrastructure sector is accretive for the Company's business plan. The recent amendments in the SEZ policy, allowing manufacturing within the FTWZs will enhance the Company's ability to expand its client base. Considering the above factors, these financial information has been prepared on going concern basis.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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

Ajay S Mittal
Director
DIN: 00226355
Place: Mumbai
Date: May 30, 2023

Arshiya Lifestyle Limited Mumbai

Navnit Choudhary
Director
DIN: 00613576
Place: Mumbai
Date: May 30, 2023

Walker Chandiok &Co LLP

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Independent Auditor's Report

To the Members of Arshiya Logistics Services Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Arshiya Logistics Services Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2023**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ('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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

4. We draw attention to Note 38 to the accompanying financial statements which indicates that as at 31 March 2023, the Company has accumulated losses of INR 1,238.75 lakhs resulting in full erosion of its net worth, and current liabilities exceeded its current assets by INR 1.99 lakhs. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, basis the future business projections which are dependent on certain assumptions and estimates along with other factors mentioned in the aforesaid note, management is of the view that the going concern basis of accounting is appropriate. Such assessment is dependent on the Company achieving its business plans as stated in aforesaid note. Our opinion is not modified in respect of this matter.



Emphasis of Matter – Recoverability of loan given to and investment in wholly owned subsidiary

5. We draw attention to Note 39 to the accompanying financial statements, regarding the Company's exposure towards its wholly owned subsidiary company, Arshiya 3PL Services Private Limited ('3PL'), which includes investments of INR 5.00 lakhs and loans receivable of INR 126.52 lakhs as on 31 March 2023. The subsidiary Company's net worth has been fully eroded. The recoverability of these assets are significantly dependent on implementation of future expansion plans of such subsidiary and accordingly, the Company's management believes that there is no impairment in the carrying amounts of such assets as on reporting date and that these are fully recoverable. Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board of Director's Report, but does not include the consolidated financial statements and our auditor's report thereon. The Board of Director's Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the financial statements does not cover the other information and we do 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Board of Director's 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

7. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

10. 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 Standards on Auditing 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.

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11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

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

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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; and

- 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.

12. 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.

Report on Other Legal and Regulatory Requirements

13. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

14. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

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 financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;



e) The matters described in paragraph 4 and paragraph 5 under the Material uncertainty related to Going concern section and Emphasis of Matter section, respectively, in our opinion, may have an adverse effect on the functioning of the Company;

f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in **Annexure B** wherein we have expressed an unmodified opinion; and

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 as at 31 March 2023;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 40(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 40(b) to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023; and



vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 23508835BGXHYB2471

Place: Mumbai
Date: 30 May 2023

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Annexure A referred to in Paragraph 14 of the Independent Auditor's Report of even date to the members of Arshiya Logistics Services Limited on the financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its property, plant and equipment during the year. Further, the Company does not hold any intangible assets.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clauses 3(iii)(a) and (b) of the Order are not applicable to the Company.

(c) In respect of interest-free loan/ advances in the nature of loan granted by the Company to a subsidiary company in previous year, the schedule of repayment of principal has been stipulated and principal amount is not due for repayment currently. Further, no interest is receivable on such loan/ advances in the nature of loan.

(d) There is no overdue amount in respect of such loan/ advances in the nature of loan granted to such subsidiary company.

(e) The Company has not granted any loan or advances in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loan/ advances in nature of loan that existed as at the beginning of the year.

(f) The Company has granted interest-free loan or advances in the nature of loan which are repayable on demand as per details below:

Particulars	Related party
Amount of loan/ advances in nature of loan which are repayable on demand and outstanding as at 31 March 2023	INR 126.52 lakhs
Percentage of loan/ advances in nature of loan to the total loans outstanding as at 31 March 2023	100.00%

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Annexure A referred to in Paragraph 14 of the Independent Auditor's Report of even date to the members of Arshiya Logistics Services Limited on the financial statements for the year ended 31 March 2023

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute	Nature of the dues	Amount (INR in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Goods and Services Tax Act, 2017	Interest on delayed payment of goods and services tax	29.40	July 2021 to March 2022	Multiple dates	-

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) According to the information and explanations given to us, the Company did not raise any loans or other borrowings from any lender during the year and did not have any term loans or other borrowings at the beginning of the current year. Accordingly, reporting under clause 3(ix)(a) to 3(ix)(d) and 3(ix)(f)of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.



Annexure A referred to in Paragraph 14 of the Independent Auditor's Report of even date to the members of Arshiya Logistics Services Limited on the financial statements for the year ended 31 March 2023

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, 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, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We were unable to obtain some of the Internal Audit Reports of the Company on timely basis, hence the Internal Audit Reports have been considered by us, only to the extent made available to us.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC .

(xvii) The Company has incurred cash losses amounting to INR 462.22 lakhs in the current financial year but had not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management, in our opinion, material uncertainty exists as on the date of the audit report regarding Company's capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Also refer paragraph 4 under section 'Material uncertainty related to going concern' in our audit report. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.



Annexure A referred to in Paragraph 14 of the Independent Auditor's Report of even date to the members of Arshiya Logistics Services Limited on the financial statements for the year ended 31 March 2023

(xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.: 508835

UDIN: **23508835BGXHYB2471**

Place: Mumbai
Date: 30 May 2023

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Annexure B to the Independent Auditor's Report of even date to the members of Arshiya Logistics Services Limited on the financial statements for the year ended 31 March 2023

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Arshiya Logistics Services Limited** ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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.

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Annexure B to the Independent Auditor's Report of even date to the members of Arshiya Logistics Services Limited on the financial statements for the year ended 31 March 2023

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: **23508835BGXHYB2471**

Place: Mumbai
Date: 30 May 2023

ARSHIYA LOGISTICS SERVICES LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
(A) Non-Current Assets			
(a) Property, plant and equipment	4	14.98	24.36
(b) Investment in subsidiaries	5	7.00	7.00
(c) Income tax assets (net)	7	129.51	157.23
Total non-current assets		**151.49**	**188.59**
Current assets			
(a) Financial assets			
(i) Trade receivables	9	936.97	2,446.39
(ii) Cash and cash equivalents	10	83.37	87.13
(iii) Loans	11	126.52	168.20
(iv) Other financial assets	6	9.44	630.45
(b) Other current assets	8	71.88	1.53
Total current assets		**1,228.18**	**3,333.70**
Total assets		**1,379.67**	**3,522.29**
EQUITY AND LIABILITIES			
(A) Equity			
(a) Equity share capital	12	160.00	160.00
(b) Other equity	13	(1,238.75)	(347.38)
Total equity		**(1,078.75)**	**(187.38)**
(B) Liabilities			
Non current liabilities			
(a) Financial liabilities			
(i) Trade payables due to	15		
-total outstanding dues of micro and small enterprises		-	-
-total outstanding dues of creditors other than micro and small enterprises		1,125.79	-
(ii) Other financial liabilities	16	85.13	198.60
(b) Provisions	14	17.33	19.30
Total non-current liabilities		**1,228.25**	**217.90**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables due to	15		
-total outstanding dues of micro and small enterprises		170.73	141.99
-total outstanding dues of creditors other than micro and small enterprises		407.56	2,596.96
(ii) Other financial liabilities	16	391.48	301.60
(b) Other current liabilities	17	255.66	446.28
(c) Provisions	14	4.74	4.94
Total current liabilities		**1,230.17**	**3,491.77**
Total equity and Liabilities		**1,379.67**	**3,522.29**

The accompanying notes form an integral part of the financial statements

This is the balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on Behalf of the Board of Directors of
Arshiya Logistics Services Limited

Ajay S Mittal
Director
DIN: 00226355
Place: Mumbai
Date: May 30, 2023

Navnit Choudhary
Director
DIN: 00613576
Place: Mumbai
Date: May 30, 2023

ARSHIYA LOGISTICS SERVICES LIMITED ★ MUMBAI

ARSHIYA LOGISTICS SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
(I) INCOME			
(a) Revenue from operations	18	5,377.71	7,731.90
(b) Other income	19	371.04	5.56
Total Income (a) + (b)		**5,748.75**	**7,737.46**
(II) EXPENSES			
(a) Warehousing, transportation and handling costs	20	5,545.95	7,262.89
(b) Employee benefits expense	21	179.75	208.22
(c) Finance costs	22	34.63	2.94
(d) Depreciation expense	23	9.38	7.86
(e) Other expenses	24	870.87	233.95
Total Expenses (a) to (e)		**6,640.58**	**7,715.86**
(III) Profit before tax (I-II)		**(891.83)**	**21.60**
(IV) Tax expense	25	-	17.70
(V) (Loss)/Profit for the year (III-IV)		**(891.83)**	**3.90**
(VI) Other comprehensive (loss) / income that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		0.46	(0.59)
- Income tax impact on above		-	0.17
Total other comprehensive (loss) / income for the year		**0.46**	**(0.43)**
(VII) Total comprehensive income for the year (V+VI)		**(891.37)**	**3.48**
(VIII) Earnings per share in INR (face value INR 10 per share)			
- Basic and Diluted	26	(55.74)	0.24

The accompanying notes form an integral part of the financial statements

This is the statement of profit and loss referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on Behalf of the Board of Directors of
Arshiya Logistics Services Limited

Ajay S Mittal
Director
DIN: 00226355
Place: Mumbai
Date: May 30, 2023

Navnit Choudhary
Director
DIN: 00613576
Place: Mumbai
Date: May 30, 2023

ARSHIYA LOGISTICS SERVICES LIMITED ★ MUMBAI

ARSHIYA LOGISTICS SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(A) Equity Share Capital

Particulars	(Amount in INR Lakhs)
Equity shares of INR 10 each issued, subscribed and fully paid up	
Balance as at March 31, 2021	160.00
Issue of Equity Shares	-
Balance as at March 31, 2022	**160.00**
Issue of Equity Shares	-
Balance as at March 31, 2023	**160.00**

(B) Other equity - Retained earnings **(Amount in INR Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(347.38)	(350.85)
(Loss)/Profit for the year	(891.83)	3.90
Other comprehensive income for the year	0.46	(0.43)
Closing balance	**(1,238.75)**	**(347.38)**

(C) Total Equity **(Amount in INR Lakhs)**

Particulars	Total
As at March 31, 2022	(187.38)
As at March 31, 2023	(1,078.75)

The accompanying notes form an integral part of the financial statements

This is the statement of changes in equity referred to in our report even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & Co LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on Behalf of the Board of Directors
Arshiya Logistics Services Limited

Ajay S Mittal
Director
DIN: 00226355
Place: Mumbai
Date: May 30, 2023

Navnit Choudhary
Director
DIN: 00613576
Place: Mumbai
Date: May 30, 2023

ARSHIYA LOGISTICS SERVICES LIMITED * MUMBAI

ARSHIYA LOGISTICS SERVICES LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
(Loss)/Profit before tax:	**(891.83)**	**21.60**
Adjustments for:		
Depreciation expense	9.38	7.86
Sundry balances written back	(1.81)	(0.80)
Finance costs	34.63	2.94
Written off unbilled revenue and trade receivables	255.65	14.08
Allowance for expected credit losses on trade receivables	507.33	90.79
Net unrealised foreign exchange (gain)	(87.10)	(28.94)
Interest income on refund of income tax	(5.82)	-
Interest on financial assets at amortised cost	-	(4.76)
Operating Profit before working capital changes	**(179.57)**	**102.77**
Movement in working capital:		
Decease/(Increase) in trade receivables	847.88	(1,310.44)
Decrease/(Increase) in other assets	550.66	(198.63)
(Decrease)/Increase in trade payables	(1,033.23)	1,272.33
(Decrease) in Other financial liabilities	(37.93)	(14.64)
(Decrease)/Increase in other liabilities	(225.08)	178.24
(Decrease) in provisions	(1.71)	(2.38)
Cash flow after working capital changes	**(78.98)**	**27.24**
Refund of income taxes paid including interest (net)	33.54	93.51
Net cash generated from/(used in) operating activities (A)	**(45.44)**	**120.75**
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(22.78)
Investment in equity shares of a subsidiary company	-	(1.00)
Loans given to subsidiary	-	(170.00)
Repayment of loan given to subsidiary	41.68	1.80
Net cash generated from/(used in) investing activities (B)	**41.68**	**(191.98)**
(C) CASH FLOW FROM FINANCING ACTIVITIES:	-	-
Net cash from financing activities (C)	**-**	**-**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(3.76)	(71.23)
Cash and cash equivalents at the beginning of the year	87.13	158.36
Cash and cash equivalents as at the end of the financial year (Refer note 10)	**83.37**	**87.13**

The accompanying notes form an integral part of the financial statements

This is the statement of cash flow referred to in our report even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

For and on Behalf of the Board of Directors of
Arshiya Logistics Services Limited

Ajay S Mittal
Director
DIN: 00226355
Place: Mumbai
Date: May 30, 2023

Navnit Choudhary
Director
DIN: 00613576
Place: Mumbai
Date: May 30, 2023

ARSHIYA LOGISTICS SERVICES LIMITED * MUMBAI

ARSHIYA LOGISTICS SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate Information

These statements comprise financial statements of Arshiya Logistics Services Limited ('the company') (CIN : U93000MH2008PLC183791) for the year ended March 31, 2023. 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 205 & 206 (Part), 2nd Floor, Ceejay House, F-Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400018, Maharashtra.

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 of the Company for the year ended March 31, 2023 were approved and adopted by the Board of Directors in their meeting held on May 30, 2023.

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 to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 ('the Act'), other relevant provisions of the Act and the presentation, and disclosures requirement of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable.

The financial statements have been prepared on a historical cost convention and on accrual basis, except for certain financial assets and liabilities (including derivative instruments) and defined benefit plan liabilities being measured at fair value or amortised cost.

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) Investment in subsidiaries

Investments in subsidiaries are accounted at cost in accordance with Ind AS 27 "separate financial statements".

(c) 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 except for certain items of office equipment and plant and machinery for which useful life considered is 1 year and 5 years, respectively.

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.

(d) 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 statement of profit or loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(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 from services

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable considerations, if any, as specified in the contracts with the customers. Revenue excludes trade discounts and 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.

Revenue from contract with customers

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.

Variable consideration

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which the Company will be entitled in exchange for transferring the promised services to the customer. Where customers are provided with discounts, rebates etc, such discounts and rebates will give rise to variable consideration. The Company follows the 'most likely amount' method in estimating the amount of variable consideration.

Contract balances

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised. Contract liabilities are recognised as revenue when the Company performs under the contract.

Trade receivables

A receivable represents the Company's right to an amount of consideration under the contract with a customer that is unconditional and realizable on the due date (i.e. only the passage of time is required before payment of the consideration is due). Trade receivable without a significant financing component is initially measured at the transaction price.

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.

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

ARSHIYA LOGISTICS SERVICES LIMITED ★ MUMBAI

(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. 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 statement of 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.

(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 (unless it is a trade receivable without a significant financing component) 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. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and Subsequent Measurement: Financial Assets

(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.

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.

(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.

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(i) 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 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.

(j) 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) Leave entitlement and compensated absences

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.

(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.

Defined benefit plans

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.

(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.





(k) 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. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

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(p) 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.

(q) 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.

(r) 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.

(s) Unforeseeable losses

The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts (including derivative contracts) for which there were any material foreseeable losses.

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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3.1 Recent Accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023

- **Ind AS 1 – Preparation of Financial Statements** – The Companies should now disclose "Material Accounting Policies" rather than "Significant Accounting Policies". Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.
- **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** – "Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:

  (a) Selection of a measurement technique (estimation or valuation technique)
  (b) Selecting the inputs to be used when applying the chosen measurement technique"
- **Ind AS 12 – Income Taxes –** Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

  Based on preliminary assessment, the Company does not expect the consequential amendments to have any significant impact in its financial statements.





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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

4. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR Lakhs)

Particulars	Office / equipment	Computers	Plant and machinery	Total
At Cost				
Balance as at April 01, 2021	**3.23**	**7.50**	**1.06**	**11.79**
Additions during the year	1.78	21.00	-	22.78
Balance as at March 31, 2022	**5.01**	**28.50**	**1.06**	**34.57**
Additions during the year	-	-	-	-
Balance as at March 31, 2023	**5.01**	**28.50**	**1.06**	**34.57**
ACCUMULATED DEPRECIATION				
Balance as at April 01, 2021	**1.19**	**0.97**	**0.19**	**2.35**
Depreciation for the year	0.94	6.80	0.12	7.86
Balance as at March 31, 2022	**2.13**	**7.77**	**0.31**	**10.21**
Depreciation for the year	1.02	8.25	0.11	9.38
Balance as at March 31, 2023	**3.15**	**16.02**	**0.42**	**19.59**
Net Carrying value as at March 31, 2022	**2.88**	**20.73**	**0.75**	**24.36**
Net Carrying value as at March 31, 2023	**1.86**	**12.48**	**0.64**	**14.98**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

5. INVESTMENT IN SUBSIDIARIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current-unquoted and measured at cost		
Investments in Equity Instruments of Subsidiaries [Refer note (a) below]	7.00	7.00
Total	**7.00**	**7.00**
Aggregate value of unquoted investments	7.00	7.00
Aggregate amount of impairment in investments	-	-

a). DETAILS OF INVESTMENTS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current-unquoted		
50,000 (March 31, 2022 - 50,000) Equity shares of Arshiya 3PL Services Private Limited of the face value of Rs. 10 each, fully paid up.	5.00	5.00
10,000 (March 31, 2022 - 10,000) Equity shares of Arshiya Panvel Logistics Services Private Limited of the face value of Rs. 10 each, fully paid up	1.00	1.00
10,000 (March 31, 2022 - 10,000) Equity shares of Arshiya Distribution Hub Private Limited of the face value of Rs. 10 each, fully paid up	1.00	1.00
Total	**7.00**	**7.00**

Note on Exemption of preparation of consolidated financial statement as per IND AS 110:

Arshiya 3PL Services Private Limited, Arshiya Panvel Logistics Services Private Limited and Arshiya Distribution Hub Private Limited wholly owned subsidiaries of the Company were incorporated w.e.f. August 27, 2018, March 12, 2019 and July 02, 2021 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

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current (Unsecured, considered good)		
Others		
Unbilled revenue	1.04	255.45
Other recoverables from related party (refer note no.29)	5.75	21.00
Other recoverables	2.65	354.00
Total	**9.44**	**630.45**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

7. INCOME TAX ASSETS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Income tax assets (refer note no.33 A)	129.51	157.23
Total	**129.51**	**157.23**

8. OTHER ASSETS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current (Unsecured, considered good)		
Advances other than Capital advances		
- Trade advances to suppliers	46.31	0.48
- Employees salary advance	-	0.05
Others		
- Excess TDS payments	24.57	-
- Prepaid expenses	1.00	1.00
Total	**71.88**	**1.53**

9. TRADE RECEIVABLES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Trade Receivables		
Considered good - Secured	129.24	127.90
Considered good - Unsecured	807.73	2,318.49
Trade Receivable which have significant increase in credit risk	181.85	302.37
Trade receivables credit impaired	667.18	39.33
	1,786.00	**2,788.09**
Less: Allowance for doubtful receivables (expected credit loss allowance) (refer a note below)	(849.03)	(341.70)
Total	**936.97**	**2,446.39**

A) MOVEMENT IN THE ALLOWANCE FOR DOUBTFUL RECEIVABLES (EXPECTED CREDIT LOSS ALLOWANCE)

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	341.70	250.91
Add: Impairment losses recognised during the year	507.33	90.79
Balance at the end of the year	**849.03**	**341.70**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

B) TRADE RECEIVABLES AGEING SCHEDULE

(Amount in INR Lakhs)

Outstanding for following periods from due date of payment	As at March 31, 2023	As at March 31, 2022
Current		
Undisputed Trade Receivables – considered good		
-Not due	482.55	899.42
-Less than 6 months	354.69	1,109.47
-6 months to 1 year	35.50	302.30
-1 year to 2 years	38.94	63.55
-2 years to 3 years	25.29	70.95
-more than 3 years	-	0.70
Total	**936.97**	**2,446.39**
Undisputed Trade Receivables – which have significant increase in credit risk		
-Not due	-	-
-Less than 6 months	71.35	80.60
-6 months to 1 year	15.41	159.59
-1 year to 2 years	38.68	33.59
-2 years to 3 years	39.04	28.59
-more than 3 years	17.37	-
Total	**181.85**	**302.37**
Undisputed Trade Receivables – credit impaired		
-Not due	-	-
-Less than 6 months	1.79	-
-6 months to 1 year	469.41	-
-1 year to 2 years	5.89	12.81
-2 years to 3 years	96.73	12.41
-more than 3 years	93.36	14.11
Total	**667.18**	**39.33**
Disputed Trade Receivables – considered good	-	-
Total	**-**	**-**
Disputed Trade Receivables – which have significant increase in credit risk	-	-
Total	**-**	**-**
Disputed Trade Receivables – credit impaired	-	-
Total	**-**	**-**

Note: The above ageing has been presented without considering the impact of allowance for credit losses.

10. CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in current accounts (refer below note)	83.34	87.12
Cash on hand	0.03	0.01
Total	**83.37**	**87.13**

Note:- Cash and cash equivalents as of March 31, 2023 - INR 83.08 Lakhs (March 31, 2022 INR 86.75 Lakhs) comprise of 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 Private Limited (formerly known as Ascendas Panvel FTWZ Limited) ("APFPL") and bank.





ARSHIYA LOGISTICS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

11. LOANS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured loan to subsidiary-Considered good (refer note A below)	126.52	168.20
Total	**126.52**	**168.20**

A) Loans and advances in the nature of loans given to subsidiary

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Name of the entities		
Arshiya 3PL Services Private Limited	126.52	168.20
% to Total Loans and Advances in the nature of loans		
Arshiya 3PL Services Private Limited	100.00%	100.00%

(Amount in INR Lakhs)

Particulars	Maximum Balance during the year	Maximum Balance during the previous year
Arshiya 3PL Services Private Limited	168.20	170.00

Note:
Unsecured and interest free loan given to wholly owned Subsidiary Company i.e. Arshiya 3PL Services Private Limited to fulfill their operational demands and commitments, and the same is receivable on demand.

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12. EQUITY SHARE CAPITAL

(i) Authorised Share Capital

Particulars	Number	Amount in INR Lakhs
Equity Share of INR 10 each		
As at March 31, 2022	2,50,00,000	2,500.00
As at March 31, 2023	2,50,00,000	2,500.00

(ii) Issued, subscribed and fully paid up equity shares

Particulars	Number	Amount (in INR Lakhs)
Equity shares of INR 10 each issued, subscribed and fully paid up		
As at March 31, 2022	16,00,000	160.00
Movement during the year	-	-
As at March 31, 2023	**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, 2023	As at March 31, 2022
Arshiya Limited (including its nominee)	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, 2023		As at March 31, 2022	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
Arshiya Limited (including its nominee)	16,00,000	100%	16,00,000	100%

(v) Details of promoter shareholding

Particulars	As at March 31, 2023	As at March 31, 2022
Name of promoter	Arshiya Limited	Arshiya Limited
Number of shares held including that with nominee	16,00,000	16,00,000
% of total shares	100%	100%
% Change during the year	-	-

(vi) Rights, preferences and restrictions

The Company has issued only one class of 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 except for interim dividend.

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.

(vii) No additional shares were alloted as fully paid up by the way of bonus shares or for consideration other than cash and also no shares have been brought back within last five years.

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13. OTHER EQUITY

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	(1,238.75)	(347.38)
Total	**(1,238.75)**	**(347.38)**

Retained Earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	(347.38)	(350.85)
Profit/(loss) for the year	(891.83)	3.90
Other comprehensive income / (loss)	0.46	(0.43)
Balance at the closing of the year	**(1,238.75)**	**(347.38)**

Retained Earning
Retained Earning are the accumulated profit / (loss) of the Company earned till date net of appropriations.

14. PROVISIONS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Provision for employee benefits		
Gratuity (refer note 27(ii))	13.15	14.19
Compensated absences (refer note 27(iii))	4.18	5.11
Total	**17.33**	**19.30**
Current		
Provision for employee benefits		
Gratuity (refer note 27(ii))	3.46	3.48
Compensated absences (refer note 27(iii))	1.28	1.46
Total	**4.74**	**4.94**

15. TRADE PAYABLES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Payables to Micro enterprises and Small enterprises (refer note A below)	-	-
Payables to Related Parties [refer note 29 (iv)]	1,125.79	-
Payables to Other than Micro enterprises and Small enterprises	-	-
Total	**1,125.79**	**-**
Current		
Payables to Micro enterprises and Small enterprises (refer note A below)	170.73	141.99
Payables to Related Parties [refer note 29 (iv)]	156.80	2,338.68
Payables to Other than Micro enterprises and Small enterprises	250.76	258.27
Total	**578.29**	**2,738.95**

A) DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount payable to suppliers under the Act		
- For capital goods	-	-
- For Others	-	-
Principal amount due to suppliers under MSMED Act, 2006	168.30	139.74
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	2.43	2.25
Payment made to suppliers (Other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under the Act	-	-
Interest due and payable to suppliers under the Act, for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	2.43	2.25
The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowances under Section 23 of the Act	-	-

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.

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B) TRADE PAYABLES AGING SCHEDULE

(Amount in INR Lakhs)

Outstanding for following periods from due date of payment	As at March 31, 2023	As at March 31, 2022
Non Current		
Undisputed dues towards Micro enterprises and small enterprises		
- Not due	-	-
Total	-	-
Undisputed dues towards Related Parties		
- Not due	1,125.79	-
Total	**1,125.79**	-
Other than micro enterprises and small enterprises		
- Not due	-	-
Total	-	-
Disputed dues to micro enterprises and small enterprises	-	-
Total	-	-
Disputed dues to Other than micro enterprises and small enterprises	-	-
Total	-	-
Current		
Undisputed dues towards Micro enterprises and small enterprises		
- Not due*	125.51	4.50
- Less than 1 year	42.79	134.20
- 1 year to 2 years	2.43	3.29
- 2 years to 3 years	-	-
- more 3 years	-	-
Total	**170.73**	**141.99**
Undisputed dues towards Related Parties		
- Not due*	1.14	800.00
- Less than 1 year	0.48	1,538.69
- 1 year to 2 years	155.18	-
- 2 years to 3 years	-	-
- more 3 years	-	-
Total	**156.80**	**2,338.69**
Other than micro enterprises and small enterprises		
- Not due*	90.44	84.00
- Less than 1 year	121.37	156.10
- 1 year to 2 years	21.44	16.62
- 2 years to 3 years	15.96	-
- more 3 years	1.55	1.55
Total	**250.76**	**258.27**
Disputed dues to micro enterprises and small enterprises	-	-
Total	-	-
Disputed dues to Other than micro enterprises and small enterprises	-	-
Total	-	-

* Not due inculded unbilled expenses INR 54.65 Lakh (March 31, 2022 - INR 859.76 Lakh).





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16. OTHER FINANCIAL LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Financial Liabilities		
Deposits from customers	85.13	198.60
Total	**85.13**	**198.60**
Current		
Financial Liabilities		
Deposits from customers	352.43	260.86
Employees benefits payable	39.05	40.74
Total	**391.48**	**301.60**

17. OTHER CURRENT LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unearned revenue	192.49	190.36
Others		
Statutory dues (refer note below)	63.17	255.92
Total	**255.66**	**446.28**

Note:
A) Statutory dues includes Tax Deducted at Source, Provident Fund, Profession Tax, Employees State Insurance Corporation and Goods and Service Tax.

B). DETAILS OF STATUTORY DUES AGEING

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues Ageing		
- Less than six months	33.77	223.28
- More than six months	29.40	32.64
Total	**63.17**	**255.92**

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18. REVENUE FROM OPERATIONS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services		
Warehousing income	2,826.93	4,943.27
Transportation income	1,640.60	1,633.69
Handling, value optimisation and others services	910.18	1,154.94
Total	**5,377.71**	**7,731.90**

(Refer note 36 for additional details)

19. OTHER INCOME

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on refund from income tax	5.82	-
Interest income on financial assets at amortised cost	-	4.76
Net gain on foreign currency transactions and translation	77.42	-
Sundry balance written back	1.81	0.80
Refund of goods and service tax	285.99	-
Total	**371.04**	**5.56**

20. WAREHOUSING, TRANSPORTATION AND HANDLING COSTS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Warehouse storage charges	2,543.84	5,401.77
Transportation charges	590.08	716.65
Material Handling and other Charges	762.08	741.25
Labour charges	389.95	403.22
FTWZ maintenance cost	1,260.00	-
Total	**5,545.95**	**7,262.89**

21. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	164.90	189.57
Compensated absences	1.60	3.04
Contribution to provident fund and employees state insurance	9.71	11.84
Gratuity expense (refer note 27 (b))	3.52	3.62
Staff welfare expenses	0.02	0.15
Total	**179.75**	**208.22**

22. FINANCE COSTS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on delayed payment of statutory dues	34.46	2.73
Interest on delayed payment of dues to micro enterprises and small enterprises	0.17	0.21
Total	**34.63**	**2.94**

23. DEPRECIATION EXPENSE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expenses (refer note 4)	9.38	7.86
Total	**9.38**	**7.86**

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24. OTHER EXPENSES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Repairs and maintenance	1.35	1.76
Insurance	-	0.03
Rates and taxes	1.79	4.04
Legal and professional fees	41.62	42.52
Telephone and internet expenses	5.31	3.93
Printing and stationery expenses	15.69	19.03
Bank charges	17.69	20.48
Travelling and conveyance expenses	0.27	0.32
Audit Fees (Refer note (a) below)	14.10	12.87
Advertisement	0.07	0.12
Temporary shed hire charges	-	7.71
Bad debts written off	255.65	14.08
Net loss on foreign currency transactions and translation	-	1.66
Postage and courier charges	0.02	0.22
Allowance for expected credit losses	507.33	90.79
Miscellaneous expenses	9.98	14.39
Total	**870.87**	**233.95**

(a). Details of auditors' remuneration (excluding GST)

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
Audit fee	9.00	9.00
Other attest services and out of pocket expenses	5.10	3.87
Total	**14.10**	**12.87**

25. TAX EXPENSES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	-	17.70
Total	**-**	**17.70**

26. EARNINGS PER EQUITY SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(Loss)/Profit after tax (A) (INR in lakhs)	(891.83)	3.90
Weighted average number of equity shares used as the denominator (B)		
Weighted average number of equity shares used as the denominator in calculating basic / diluted earnings per share	16,00,000	16,00,000
Basic and diluted earnings per equity share (A/B) (in INR lakhs)	(55.74)	0.24

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27. EMPLOYEE BENEFITS OBLIGATION

(i) Defined contribution plans

The Company has provident fund and Employee State Insurance 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 9.71 Lakhs (March 31, 2022: INR 11.84 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	Year ended March 31, 2023	Year ended March 31, 2022
At the beginning of the year Defined Benefit Obligation	17.66	18.22
Current service cost	2.45	2.59
Interest cost	1.07	1.03
Remeasurements - Actuarial (gain)/ loss		
- Change in demographic assumptions	0.03	(0.01)
- Change in financial assumptions	(0.90)	(0.37)
- experience variance	0.41	0.97
Benefits paid	(4.11)	(2.48)
Transfer In/(Out)	-	(2.29)
Defined Benefit obligation at year end	**16.61**	**17.66**

Particulars	As at March 31, 2023	As at March 31, 2022
Non current	13.15	14.19
Current	3.46	3.48

(b) Expenses recognised in the statement of profit and loss : **(Amount in INR Lakhs)**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	2.45	2.59
Interest cost	1.07	1.03
Net Cost	**3.52**	**3.62**
In Other Comprehensive Income		
Remeasurements - Actuarial gain for the year on defined benefits obligations	0.46	(0.59)
Income for the period recognised in OCI	**0.46**	**(0.59)**

(c) Actuarial assumptions: **(Amount in INR Lakhs)**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.30%	6.10%
Salary escalation rate	5.00%	5.00%
Withdrawal Rate	20.00%	20.00%
Mortality Rate	100% IALM (2012-2014)	100% IALM (2012-2014)

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.

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(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	Year ended March 31, 2023	Year ended March 31, 2022
(I) Impact of the change in discount rate		
Present value of obligation at the end of the period	16.61	17.66
(i) Impact due to increase of 0.50%	(0.33)	(0.38)
(ii) Impact due to decrease of 0.50%	0.35	0.39
(II) Impact of the change in salary increase		
Present value of obligation at the end of the period	16.61	17.66
(i) Impact due to increase of 0.50%	0.35	0.40
(ii) Impact due to decrease of 0.50%	(0.35)	(0.39)
(III) Impact of the change in attrition rate		
Present value of obligation at the end of the period	16.61	17.66
(i) Impact due to increase of 50%	0.10	(0.18)
(ii) Impact due to decrease of 50%	(0.55)	(0.03)
(IV) Impact of the change in mortality rate		
Present value of obligation at the end of the period	16.61	17.66
(i) Impact due to increase of 10%	-	0.00
(ii) Impact due to decrease of 10%	-	(0.00)

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.

(iii) Defined benefit plan - Compensated absences

Compensated absences is a non funded plan. The obligation towards this plan is recognised in the same manner as gratuity.
The amount recognised as per expense is included in note 21. The closing liability towards the above plan is as below :

Particulars	As at March 31, 2023	As at March 31, 2022
Non current	4.18	5.11
Current	1.28	1.46

28. CONTINGENT LIABILITIES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
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)	50.59	50.59
Goods and Services Tax (GST) payables on unbilled revenue (refer note 3 below)	-	45.98
Goods and Services Tax (GST) reversal of ITC on Reverse Charge Mechanism for the financial year 2017-2018 to 2019-2020 (refer note 4 below)	-	7.23

Notes:

1. Bond-cum Legal Undertaking has been given to SEEPZ Authority for safeguarding duty liability on goods stored in Free Trade Warehousing Zone 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. The Company has utilized the aforesaid GST input credit based on expert advice obtained by the Company.

3. Amount of unbilled revenue of INR 255.45 lakhs has been written off in current year.

4. As per SCN No.360/GST/Audit-RGD/SUPDT/Gr.V /21-22 dated 21.03.2022 issued by Superintendent, GST Audit, Raigad Commissionerate, it has been instructed to reverse ITC of INR 7.23 lakhs for the period July 2017 to March 2022 against transportation of goods by road services rendered to DTA clients under reverse charge mechanism. The said contingent liability was recognised and paid during the current year.

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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	100% Wholly owned Subsidiaries
Arshiya Panvel Logistics Services Private Limited	
Arshiya Distribution Hub Private Limited	
Arshiya Lifestyle Limited	Fellow Subsidiaries
Arshiya Northern FTWZ Limited	
Laxmipati Balaji Supply Chain Management Limited	Enterprise owned or significantly influenced by key management personnel of Parent Company or their relatives

(ii) Key managerial personnel

Mr. Ajay S Mittal - Director
Mr. Ashish Bairagra-Independent Director
Mr. Rishabh Shah-Independent Director
Mr. Navnit Choudhary - Director
Mr. Pramod Raghavan - Director (till August 16, 2021)
Mr. Vinod Parekh - Director (till May 31, 2021)

The KMPs are Directors/ Promoters/ Employees of the Parent company. No remuneration has been paid to them by the Company for their services rendered to the Company.

(iii) Transactions during the year with related parties

(Amount in INR Lakhs)

Name of Parties	Nature of Transaction	Year ended March 31, 2023	Year ended March 31, 2022
Arshiya Lifestyle Limited	Warehousing and handling costs	3,041.10	5,949.66
Arshiya Lifestyle Limited	FTWZ Maintenance Cost	1,260.00	-
Arshiya Northern FTWZ Limited	Warehousing and handling costs	1.89	-
Arshiya Panvel Logistics Services Private Limited	Income billed to customers on the behalf of subsidiary	-	206.59
Arshiya Limited#	Reimbursement of expenses on behalf of parent company	1,431.62	590.10
Arshiya Lifestyle Limited#	Settlement of trade payable through reimbursement receivables.	(1,431.62)	(590.10)
Arshiya Panvel Logistics Services Private Limited	Reimbursement of expenses received	-	54.90
Laxmipati Balaji Supply Chain Management Limited	Reimbursement of expenses received	5.75	21.00
Arshiya Distribution Hub Private Limited	Investment in wholly owned subsidiary	-	1.00
Arshiya Northern FTWZ Limited	Refundable security deposits received	-	45.00
Arshiya 3PL Services Private Limited	Loan given	-	170.00
Arshiya 3PL Services Private Limited	Repayment of loan	(41.68)	(1.80)

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.

(iv) Outstanding balances at the end of year

(Amount in INR Lakhs)

Name of Parties	Nature of Outstanding balances	As at March 31, 2023	As at March 31, 2022
Arshiya Lifestyle Limited#	Trade Payables	1,125.79	1,998.79
Arshiya Panvel Logistics Services Private Limited	Trade Payables	155.18	339.90
Arshiya Northern FTWZ Limited	Trade Payables	1.62	-
Laxmipati Balaji Supply Chain Management Limited	Others recoverable	5.75	21.00
Arshiya 3PL Services Private Limited	Loan Receivables	126.52	168.20

(v) Investments held in Equity Instruments of Subsidiaries

(Amount in INR Lakhs)

Name of parties	Particulars	As at March 31, 2023	As at March 31, 2022
Arshiya 3PL Services Private Limited	Direct Subsidiaries	5.00	5.00
Arshiya Panvel Logistics Services Private Limited	Direct Subsidiaries	1.00	1.00
Arshiya Distribution Hub Private Limited	Direct Subsidiaries	1.00	1.00

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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.

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 **(Amount in INR Lakhs)**

Particulars	Carrying Amount		Fair Value	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
FINANCIAL ASSETS				
Amortised cost				
Trade receivables	936.97	2,446.39	936.97	2,446.39
Cash and cash equivalents	83.37	87.13	83.37	87.13
Loans	126.52	168.20	126.52	168.20
Other financial assets	9.44	630.45	9.44	630.45
Total	**1,156.30**	**3,332.17**	**1,156.30**	**3,332.17**
FINANCIAL LIABILITIES				
Amortised cost				
Trade payables	1,704.08	2,738.95	1,704.08	2,738.95
Other financial liabilities	476.61	500.20	476.61	500.20
Total	**2,180.69**	**3,239.15**	**2,180.69**	**3,239.15**

The management have assessed that the fair value of trade receivables, cash and cash equivalent, loans, other financial assets, trade payables and other financial liabilities approximates 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. The Company takes advances and security deposits from some of its customers, which mitigate the credit risk to an extent.

Concentration of Revenues - none of single customer having revenue generation is 10% or more of the total revenue during year ended March 31, 2023 as well as previous year ended March 31, 2022.

Concentration of Receivables - none of single customer having receivables outstanding is 10% or more of the total receivables for the year ended March 31, 2023 and from one of the customer 37% of total trade receivables for the year ended March 31, 2022.

(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 and Company's view of economic conditions over the expected lives of the receivables.

(Amount in INR Lakhs)

Financial assets for which loss allowances is measured using the expected credit loss model	Year ended March 31, 2023	Year ended March 31, 2022
Current		
Trade receivables		
Considered good - Secured	129.24	127.90
Considered good - Unsecured	807.73	2,318.49
Trade Receivable which have significant increase in credit risk	181.85	302.37
Trade receivables credit impaired	667.18	39.33
	1,786.00	**2,788.09**
Less: Allowance for doubtful receivables(expected credit loss allowance)	(849.03)	(341.70)
	936.97	**2,446.39**

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(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 borrowings. Further, the Company believes that carrying value of all of its financial liabilities approximates to its fair value.

As at 31 March 2023 **(Amount in INR Lakhs)**

Particulars	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade payables	578.29	1,125.79	-	**1704.08**
Other financial liabilities	391.48	85.13	-	**476.61**

As at 31 March 2022

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade payables	2,717.49	21.46	-	**2,738.95**
Other financial liabilities	301.60	198.60	-	**500.20**

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(d) Foreign exchange risk

The Company's foreign exchange risk arises from its foreign currency revenues primarily in US Dollar, AED 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade receivables				
USD	25.19	41.71	2,071.22	3,162.16
EUR	0.01	0.13	0.78	11.01
Advance from customers				
USD	0.06	0.08	5.00	5.97
EUR	-	0.002	-	0.17
Security deposits from customers				
USD	1.19	1.22	97.44	92.29
AED	0.28	0.28	6.23	5.76
Balance with bank				
USD	0.57	0.67	46.91	50.60

(ii) Sensitivity analysis

(Amount in Lakhs)
Increase/(decrease) in profit before tax

Particulars	As at March 31, 2023	As at March 31, 2022
Increase by 1% on closing rate of reporting date	20.10	31.20
(Decrease) by 1% on closing rate of reporting date	(20.10)	(31.20)

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33. TAX RECONCILIATION

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Reconciliation of tax expense		
Profit/ (loss) before tax	(891.83)	21.60
Enacted income tax rate (%) applicable to the Company#	25.17%	27.82%
Tax expenses calculated at enacted income tax rate	(224.47)	6.01
Related to Property plant and equipment	0.50	(0.72)
Effect of expenses that are not deductible in determining taxable profit	137.70	27.93
Effect of income that are not considered in determining taxable profit	(3.64)	(1.49)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	89.91	(31.73)
Tax paid under provision of Minimum Alternate Tax (MAT)*	-	17.53
Income tax expense recognised during the year	-	17.53

The tax rate used for reconciliation above is the corporate tax rate of 25.17% under section 115BAA (March 31, 2022 - 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.
Deferred tax asset on INR 33.89 Lakh as on March 31, 2023 on unused tax losses and tax offsets have not been recognised, as there is no convincing evidence that sufficient taxable profits will be avilable against which the unadjusted tax losses will be utilized by the Company.

A). MOVEMENT IN INCOME TAX ASSET / (LIABILITY) IS AS FOLLOWS :

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Net Income tax asset at the beginning	157.23	268.27
Refund of income tax paid	(33.54)	(93.51)
Income tax expenses recognised during the year	-	(17.53)
Net Income tax asset at the end	**123.69**	**157.23**

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 does not have outstanding borrowings as at reporting date.
The Company's objective for capital management is to maintain optimum overall working capital.

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ARSHIYA LOGISTICS SERVICES LIMITED MUMBAI

ARSHIYA LOGISTICS SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

35. KEY FINANCIAL RATIOS (to the extent applicable)

(Amount in INR Lakhs)

Sr No.	Particulatrs	As at March 31, 2023	As at March 31, 2022	Variation	Reason for deviation
1	Current Ratio	1.00	0.95	4.57%	-
2	Return on Equity Ratio	140.87%	-2.06%	-6931.17%	Due to increase in losses.
3	Trade Receivables Turnover Ratio	3.18	4.23	-24.93%	Primarily due to additional provision of receivables and decreased in revenues as compared to previous period.
4	Trade Payables Turnover Ratio	2.54	3.51	-27.62%	Primarily due to decrease in other expenses and increased in average trade payables and credit period.
5	Net Capital Turnover Ratio	(2,702.37)	(48.92)	5423.56%	Primarily on account of decrease in revenues and shortfall of working capital.
6	Net Profit Ratio	-16.58%	0.05%	-32978.07%	Primarily due to incremental provision of receivables as compared to previous period.
7	Return on Capital employed	-573.38%	80.39%	-813.28%	Primarily due to additional provision of receivables and decrease in total assets as compared to previous period.

A). DETAILS OF NUMERATOR AND DENOMINATOR TAKEN FOR CALCULATION OF ABOVE RATIOS

Sr No.	Particulatrs	Numerator Taken in above formula	Denominator Taken in above formula
1	Current Ratio (In times)	Current assets	Current liabilities
2	Return on Equity Ratio	Profit after tax	Average of total equity
3	Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivables
4	Trade Payables Turnover Ratio	Warehousing and handling costs +other expenses (exculding ECL provision & Bad debts).	Average trade payables
5	Net Capital Turnover Ratio	Revenue from operations	Working capital [Current assets - Current liabilities]
6	Net Profit Ratio	Profit after tax	Revenue from operations
7	Return on Capital employed	Earnings before interest and tax	Capital employed [Total assets - Current liabilities + Current borrowings]

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ARSHIYA LOGISTICS SERVICES LIMITED ★ MUMBAI

36. REVENUE FROM CONTRACTS WITH CUSTOMERS (IND AS 115)

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

Revenue disaggregation by type of services is given note no. 18.

a) Reconciliation of contract liabilities as at the beginning and at the end of the year is as follows:

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance of contract liabilities	190.36	208.09
Add: Contract liabilities recognised during the year	52.33	10.60
Less: Revenue recognised out of contract liabilities	(10.20)	(27.24)
Less: Refund and write back made	(40.00)	(1.09)
Closing balance of contract liabilities (Refer note 17)	**192.49**	**190.36**

b) Revenue earned from :

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (net carrying value)	936.97	2,446.39
	936.97	**2,446.39**

c) Revenue disaggregation by geography is as follows:

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
India	5,377.71	7,731.90
Outside India	-	-
	5,377.71	**7,731.90**

d) Revenue disaggregation by timing of revenue recognition is as follows:

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Services transferred over time	2,826.93	4,943.27
Services transferred at a point in time	2,550.78	2,788.63
	5,377.71	**7,731.90**

e) Reconciliation of Revenue from Operation with contract price:

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Contract price	5,377.71	7,938.49
Reduction towards income billed to customer on behalf of the Subsidiary	-	(206.59)
	5,377.71	**7,731.90**

37. RELATIONSHIP WITH STRUCK OFF COMPANIES

(Amount in INR Lakhs)

Sr No.	Name of struck off Companies	Nature of transactions	Relationship with the Struck off company	As at March 31, 2023	As at March 31, 2022
1	Worldline Tradex Private Limited (Under Process of Striking Off)	Security deposit	Customer	(0.23)	(0.18)
2	Inventech Tradexim Private Limited (Under Process of Striking Off)	Receivables (net of deposits)	Customer	4.79	(0.81)
3	Tregti Entrepreno Private Limited (Strike Off)	Receivables	Customer	9.71	9.71
4	Enterpride Business Ventures Private Limited (Under Process of Striking Off)	Receivables	Customer	24.55	24.55

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ARSHIYA LOGISTICS SERVICES LIMITED ★ MUMBAI

ARSHIYA LOGISTICS SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

38. Going Concern

The Company has reported loss of INR 891.83 lakhs for the year ended March 31, 2023. As at March 31, 2023, the current liabilities exceeds current assets by INR 1.99 lakhs and due to accumulated losses of INR 1,238.75 lakhs, net-worth of the Company has fully eroded.
The management believes that Government's focus on logistics infrastructure sector is accretive 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. These macro factors coupled with the Company's future business projections prepared basis the Group management's plan to expand the operations in free trade warehousing zone at Panvel, Maharashtra and steps being taken by the management to control the operating costs, will improve the Company's ability to expand the client base multi-fold and thereby the cash flow position shall further improvise.
One of the fellow subsidiary has extended the timeline of payment till 1 April 2024 within which Company needs to settles its dues amounting to INR 1125.79 lakhs. Also, such fellow subsidiary has given committement to the Company for fund infusion in the form of loans to the extent of INR 2,200.00 lakhs if liquidity situation of the Company demands so. Accordingly, these financial statements have been prepared on going concern basis.

39. Loan to subsidiary

As at March 31, 2023, the Company has an investment of INR 5.00 lakhs and a receivable of INR 126.52 lakhs, from its wholly owned subsidiary company, Arshiya 3PL Services Private Limited ('3PL'). The subsidiary Company's net worth has been fully eroded. 3PL has commenced its commercial operations during the year ended March 31, 2023 and it has remitted INR 41.68 lakhs to the Company up to March 31, 2023 and additional INR 27.76 lakhs subsequent to balance sheet date. Further, 3PL has plans to repay its due to the Company within a year's period i.e. by March 31, 2024. Based on the evaluation of the business prospects of 3PL and expansion plans formulated by the group companies of Arshiya Limited at Free Trade Warehousing Zone, Khurja, which in turn shall supplement the business of 3PL and financial support letter from Arshiya Limited, management of the Company is confident of realising the value of its investments and receivables. Thus, there is no impairment in the carrying value of aforesaid assets.

40. OTHER STATUTORY INFORMATION

(a) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (wheather recorded in writing or otherwise) that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(c) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(d) The Company has not granted any loans or advances in the nature of loans to promoters, directors and KMPs except loan to subsidiary (as defined under Companies Act, 2013), either severally or jointly with any other person.

(e) The Company do not have any pending creation of charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(f) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(h) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017..

(i) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(j) The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company.

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ARSHIYA LOGISTICS SERVICES LIMITED ★ MUMBAI

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

41. The Parliament of India has approved the Code on Social security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post-employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, on the Company will be assessed and recognised post notification of the relevant provisions.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on Behalf of the Board of Directors of
Arshiya Logistics Services Limited

Ajay S Mittal
Director
DIN: 00226355
Place: Mumbai
Date: May 30, 2023

Navnit Choudhary
Director
DIN: 00613576
Place: Mumbai
Date: May 30, 2023

ARSHIYA LOGISTICS SERVICES LIMITED ★ MUMBAI

ORIGINAL

Independent Auditor's Report

To
The Members of
Arshiya Northern FTWZ Limited

Report on the Audit of the Ind AS Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying Ind AS financial statements of **Arshiya Northern FTWZ Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2023, the statement of profit and loss, the cash flow statement for the year then ended, the statement of changes in equity and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

We do not express an opinion on the accompanying Ind AS financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Ind AS financial statements.

Basis for Disclaimer of Opinion

1. With respect to settlement arrangement with lenders

1.1 Further to what is stated in Note no. 43 of the Ind AS financial statements, during the year ended 31st March, 2023 and year ended 31st March, 2022, the Company received settlement of debt letter in respect of some of the lenders. As per the agreed settlement the total debt of the said lenders (including outstanding interest) of Rs. 29,720.55 lakhs were agreed to be settled at Rs. 19,754.00 lakhs. The Company had already given accounting effects of such settlement in the quarter ended 30th June, 2022 and in the Ind AS financial statements for the year ended 31st March, 2022, whereby gain of Rs. 8,221.83 lakhs and Rs.1,744.72 lakhs have been recognised as an exceptional item. The Company has not fulfilled its obligations as per the agreed settlement. However, the liability in the books has not been restated to the original value and accordingly the liabilities are understated to the extent of Rs. 9,966.55 lakhs as on 31st March, 2023. Further, the interest on such borrowings has been under provided by Rs. 2,542.10 lakhs for year ended 31st March, 2023 (cumulative unprovided interest of Rs 6,966.88 lakhs), as interest is accounted on the settlement amount as against the pre-settlement amount. The penal interest, default interest on the said defaults is not ascertained / accounted.

As stated in Note no. 41, under the Corporate Insolvency Resolution Process (CIR Process), the said lenders have submitted their claims. There is a difference of Rs. 37,508.56 lakhs between amount as per books and the claims submitted by the said lenders. Out of the said unprovided claim IRP has admitted the claim of Rs. 19,601.61 lakhs. Considering the amount admitted, the same shall have additional impact of Rs. 3,116.62 lakhs over and above the impact mentioned above.

Further to above, notwithstanding commencement of ongoing CIR Process (Refer Note no. 41 of the Ind AS financial statements), the erstwhile management has decided to continue accounting of the aforesaid settlement gain disregarding the fact that the aforesaid letters does not have any sanctity.

This accounting treatment as stated above is not in compliance with Ind AS 109 "Financial Instruments" and Ind AS 23 "Borrowing Cost". Had the Company reversed the accounting for the debt settlement, the loss for the year would have been higher by Rs. 20,050.05 lakhs and balance of other equity as on 31st March, 2023 would have been lower by Rs. 20,050.05 lakhs and the total equity would have been negative Rs. 23,394.42 lakhs as against reported negative figure of Rs. 3,344.37 lakhs.

N. A. SHAH ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

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Independent Auditor's Report (Contd.)

1.2 Further, as stated in Note no. 46 of the Ind AS financial statement for the year ended 31st March, 2023, balance confirmations of total borrowings including interest accrued (including current maturities of long term borrowings), have not been received.

Considering the factors stated in para 1.1 & 1.2 above, we are unable to obtain sufficient appropriate audit evidence about these borrowings (including interest) outstanding as at 31st March, 2023 as well as the finance cost for the year ended 31st March, 2023. Consequently, we are unable to determine the quantum of adjustment (in addition to the amount stated in para 1.1 above) including for difference on account of rate of interest, compounding, penal interest, charges, etc. and consequential impacts in the Ind AS financial statements of the Company.

2. Non-recognition of liability in respect of financial guarantee at fair value in accordance with Ind AS 109 "Financial Instruments" (Ind AS 109)

We draw attention to the Note no. 32 to the Ind AS financial statements, regarding corporate guarantees on behalf of Holding Company and erstwhile fellow subsidiary company aggregating to Rs.19,050.00 lakhs. The said companies had defaulted in repayment of dues to lenders. As per the CIR Process, the aggregate amount claimed and admitted is Rs. 5,564.30 lakhs.

In the opinion of the erstwhile management, the value of primary / underlying assets provided as securities by the borrowing companies is greater than the outstanding loans and hence in view of the erstwhile management no additional liability is expected to devolve on the Company. The Company has not carried out a fair valuation of the guarantee in accordance with Ind AS 109 as on 31st March, 2023 leading to non-compliance with the said Ind AS.

In absence of fair value report, we are unable to comment on quantum of liability which is expected to devolve on the Company as a corporate guarantor and fair value of liability as required by Ind AS 109.

3. Impairment testing of Property, Plant & Equipment (PPE) and Net Realizable Value of Assets Held for Sale not carried out by the erstwhile management

The Company's Property, Plant & Equipment gross block aggregates to Rs. 71,440.32 lakhs (written down value aggregates to Rs. 62,285.01 lakhs). The Company's Assets Held for Sale aggregates to Rs. 7,068.22 lakhs. The aggregate carrying value of land of Rs. 46,537.40 lakhs include impact of revaluation thereof of Rs. 20,202.73 lakhs as the revalued amount was considered as deemed cost on the transition date on first time adoption of Ind AS. Continuing losses and lower capacity utilization are indicators for the need to carry out impairment test as required Ind AS 36 "Impairment of Assets" (Ind AS 36). However, the erstwhile management has not complied with this requirement of Ind AS 36 and Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" (Ind AS 105) i.e. impairment test has not been carried out in respect of PPE and Assts Held for Sale.

The value in use is dependent on various factors like CIR Process, settlement with lenders, monetization of assets and infusion of funds which are uncertain and not fully in control of the erstwhile management of the Company.

As stated above and in absence of the impairment test it is not possible for us to validate the carrying value of the PPE and Assets Held for Sale as at 31st March, 2023 and consequently compliance with Ind AS 36 and Ind AS 105.

4. Assets Held for Sale

We draw attention to Note no. 45 of the Ind AS financial statements with regards to transaction of monetization of one warehouse. Since the Company was not able to fulfil certain Conditions Precedent (CP), the Company requested for extension of timeline provided in the original agreement.

N.A. SHAH ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

Independent Auditor's Report (Contd.)

The Company has received the extension letter and the erstwhile management is confident that the conditions will be complied with and accordingly the transaction shall materialize. However, due to initiation of CIR Process, substantial CP are not complied as on the date of the report and the erstwhile management not providing with substantive plan of the Company to comply with all the CP or any other alternative plan for sale of the said asset, as required under Ind AS 105, the Company has ceased with the condition for accounting of the assets as Assets Held for Sale under the said standard.

In the absence of information as stated above we are unable to comment on the appropriateness of disclosure of said assets as held for sale and consequently, non-provision for depreciation on the said assets.

As a result of the matters described in para 1 to 4 above, considering the facts stated in the note as regards material uncertainty relating to going concern and matters described in Emphasis of Matter paragraph we are unable to obtain sufficient and appropriate audit evidence to provide a basis of our opinion on the Ind AS financial statement for the year ended 31st March, 2023.

Further, as a result of the matters mentioned above we are unable to provide a basis of our opinion on the financial ratios as stated in the Ind AS financial statements.

Matters listed in paras 1.1 & 1.2 were given by the erstwhile statutory auditor as qualifications in their statutory audit report dated 27th May, 2022 for the year ended 31st March, 2022.

Material Uncertainty Related to Going Concern

As stated in Note no. 41 of the Ind AS financial statements, the Company is unable to pay its dues to operational and financial creditors, as it has defaulted in repayment of dues to lenders, lenders have classified Company's borrowings as NPA, the Company has given guarantees for loan taken by the erstwhile fellow subsidiary and Holding Company, current liabilities exceeded total assets of the Company, initiating the commencement of CIR Process and appointment of Interim Resolution Professional. The Holding Company has appointed external agency for business development for the entire Group. These matters (including other matters as set out in the notes) indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. However, as per Section 20 of Insolvency & Bankruptcy Code, 2016, currently the operations of the Company are being managed by Mr. Ram Ratan Kanoongo ("IRP") on a going concern basis and accordingly the Ind AS financial statements for the year ended 31st March, 2023 have been prepared on a going concern basis.

Further, in the Independent Auditor's Report on the consolidated Ind AS financial statements of the Holding Company, statutory auditors have also indicated that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.



Independent Auditor's Report (Contd.)

Emphasis of Matter

1. As stated in Note no. 48 of the Ind AS financial statements, as regards the invocation of corporate guarantee of promoters and the Holding Company, Punjab National Bank & State Bank of India have issued notices under SARFAESI Act and have invoked corporate guarantee issued by Holding Company and personal guarantee by two Promoter Directors of the Holding Company, since the Company has defaulted in servicing its borrowings towards principal and interest.

2. As stated in Note no. 42 of the Ind AS financial statements, as per directions of the IRP, the Company is required to reverse certain payments made to the Holding Company and NCR Rail Infrastructure Limited aggregating to Rs. 116.25 lakhs out of which the Company has reversed payments of Rs. 6.50 lakhs on 25th April, 2023 and the balance amount of Rs. 99.75 lakhs is still pending to be reversed.

3. The internal audit for the year ended 31st March, 2023 is under process and report of the internal auditor is not produced before us for our comments.

4. As stated in Note no. 50 of the Ind AS financial statements, as regards non-appointment of Company Secretory as required under Section 203 (1) of the Companies Act, 2013.

5. As stated in Note no. 44 of the Ind AS financial statements, refunds aggregating to Rs. 244 lakhs are receivable in respect of VAT, Service Tax, Local Entry Tax and Service Tax for which appeals are pending with respective Appellate Authorities. The erstwhile management is of the view that the refunds are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds. However, the said appeals have been rejected by the authorities on multiple levels, but since further appeal is preferred before higher appellate authorities including High Court, the erstwhile management expects favorable outcome.

6. As stated in Note no. 55 of the Ind AS financial statements, the Company is yet to register a charge with Registrar of Companies (ROC) in one case i.e. Cyber Pearl Information Technology Park Private Limited. The said lender has a Second Charge on the mortgaged properties created against a loan obtained during the year. The charge was required to be registered with ROC by 30th June, 2022 and the same has not been registered leading to delay by 275 days.

7. As stated in Note no. 10 of the Ind AS financial statements, the Company had given loan with interest of Rs. 325.00 lakhs to Novel FTWZ Limited ("Novel") for working capital requirement on 30th March, 2019 for one year, which was renewed for further 3 years which ended on 31st March, 2023. Considering the ongoing legal suit filed by the lender of Novel for recovery of loan and other dues, the erstwhile management did not expect the repayment thereof on the due date i.e. 31st March, 2023 and hence, decided to provide allowance for the loan amount and interest accrued thereon as upto 30th September, 2022. Further, effective 1st October, 2022 the erstwhile management has decided not to accrue interest income.

8. As stated in Note no. 47 of the Ind AS financial statements, regarding the balance confirmations of trade receivables and trade payables. During the course of preparation of Ind AS financial statements, emails / letters have been sent to various parties by the Company with a request to confirm their balances directly to us out of which only few parties have responded. The erstwhile management is confident and is of the view that there will not be any material variation in the said balances.

Our opinion is not modified with respect to the above matters.

Matter listed in para 8 was given by the erstwhile statutory auditor as Emphasis of Matter in their statutory audit report dated 27th May, 2022 for the year ended 31st March, 2022.

Independent Auditor's Report (Contd.)

Information other than Ind AS Financial Statements and Auditor's Report thereon

The Company's erstwhile management and Suspended Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Ind AS financial statements and our Auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Disclaimer of Opinion section above we have not been provided with any other information by the Company. Accordingly, we do not express our opinion in this regard.

Erstwhile Management's Responsibilities for the Ind AS Financial Statements

The Company's Suspended 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, erstwhile 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 erstwhile management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Suspended Board of Directors are also responsible for overseeing the Company's financial reporting process.

Refer Note no. 41 of the Ind AS financial statement with regards to the Company's ongoing CIR Process and accordingly, the operations of the Company are being managed by Interim Resolution Professional Mr. Ram Ratan Kanoongo, on a going concern basis.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our responsibility is to conduct an audit of the entity's Ind AS financial statements in accordance with the Standards on Auditing under Section 143(10) of the Act and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Ind AS financial statements. We are independent of the entity in accordance with the ethical requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Company.



Independent Auditor's Report (Contd.)

Other Matter

The figures for the year ended 31st March, 2022 are based on the previously issued annual Ind AS financial statements that were audited by the erstwhile auditors whose report dated 27th May, 2022, expressed a modified opinion. (Also see Basis for Disclaimer of Opinion paragraph for modifications made by the erstwhile auditors).

Our opinion is not modified with respect to the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   (b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   (c) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the balance sheet, statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cashflow dealt with by this report are in agreement with the books of account.

   (d) Due to the possible effects of the matter described in the Basis of Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid Ind AS financial statements comply with the Accounting Standards under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) The matters described in paragraphs above under the Material Uncertainty Related to Going Concern and Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Company.

   (f) On the basis of the written representations received from the directors as on 31st March, 2023, none of the directors are disqualified as on 31st March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

   (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 reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.

   (i) In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year, hence the provisions of Section 197 of the Act are not applicable.

   (j) With respect to Other Matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

      i. The Company does not have pending litigations which would impact its financial position

N.A. SHAH ASSOCIATES LLP MUMBAI

Independent Auditor's Report (Contd.)

except as disclosed in the Ind AS financial statements (Refer Note no. 31)

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.

iv. The erstwhile management has represented to us that,

a. to the best of its knowledge and belief, as disclosed in the notes to the Ind AS financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. to the best of its knowledge and belief, as disclosed in the notes to the Ind AS financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

v. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

vi. The Company has not declared or paid dividend during the year. Hence, our comments on compliance with Section 123 of the Companies Act, 2013 does not arise.

vii. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W / W100149

N. A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Dhaval Selwadia
Partner
Membership No. 100023

UDIN: 23100023BGWNFZ4661

Place: Mumbai
Date: 30th May, 2023

Arshiya Northern FTWZ Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to be read with the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report and the Basis for Disclaimer of Opinion in our separate report on the internal financial controls over financial reporting]

i. In respect of Property, Plant and Equipment and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. However, we are informed that for identification and situation of Property, Plant and Equipment, the Company is in the process of tagging individual assets based on their specific location [this statement was also made by erstwhile statutory auditors in their Independent Auditor's Report dated 27th May, 2022].

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) We are informed by the erstwhile management that the Property, Plant & Equipment have been physically verified by the erstwhile management at the year end, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification; however, in absence of tagging of individual assets based on their specific location, we are unable to comment on the adequacy of the process followed for physical verification and assertion of the erstwhile management that no material discrepancies were noticed on physical verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company which has been verified from photocopy of the title deed provided to us, since the original document is deposited with security trustee of lenders against credit facility granted by them. We have asked erstwhile management to provide us the certificates from the said trustee that all the original documents are in their possession. We have not received the said certificates and hence unable to comment on the same.

d) According to information and explanations given to us and books of accounts and records examined by us, the Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year.

e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. In respect of inventories:

a) The Company's business does not involve holding any inventories. Therefore clause (ii)(a) of Paragraph 3 of the Order relating to inventory is not applicable.

b) In our opinion and according to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. Therefore, reporting under clause (ii)(b) of Paragraph 3 of the Order is not applicable to the Company.



Arshiya Northern FTWZ Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to be read with the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report and the Basis for Disclaimer of Opinion in our separate report on the internal financial controls over financial reporting]

iii. In respect of investments made in, guarantee or security provided or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties by the Company:

a) As per the information and explanations given to us and books of accounts and records examined by us, during the year Company has not provided any guarantee or security or has not granted any loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities except as mentioned below: -

(Rs. in lakhs)

Particulars	Guarantee (Rs.)	Loan (Rs.)
Aggregate amount granted / provided during the year – Other than subsidiaries, joint ventures and associates	-	-
Balance outstanding as at balance sheet date – Other than subsidiaries, joint ventures and associates	19,050.00*	325.00**

* refer note no. 32
**refer note no. 10

b) In our opinion and according to information and explanations given us and on the basis of our audit procedures, in respect of guarantee provided, and the terms and conditions of all loans and advances in the nature of loans are, prima facie, not prejudicial to Company's interest. The Company has not made any investments or given any security.

c) According to the books of accounts and records examined by us, during the year, the Company has not granted any loans or advances in the nature of loans. However, in case of loan granted to a company in an earlier year for which schedule of repayment of principal and payment of interest has been stipulated, the repayment has not been made as per the stipulated terms. Refer Note no. 10 of the Ind AS financial statements.

d) According to the books of accounts and records examined by us, during the year, in case of loan provided to a company, interest of Rs. 136.75 lakhs is overdue for more than ninety days. The erstwhile management has framed an opinion that the amount of loan granted along with interest thereon has become impaired and hence allowance has been made therefor. In view of the same, the question of our commenting on the steps taken by the Company for recovery of the principal and interest does not arise. Refer Note no. 10 of the Ind AS financial statements.

e) In our opinion and according to information and explanation given and books of accounts and records examined by us, during the year, there are no loans granted which has fallen due during the year and renewed or extended or fresh loans has been granted to settle the over dues of existing loans given to the same parties. Therefore, reporting under clause (iii)(e) of Paragraph 3 of the Order is not applicable to the Company.

f) In our opinion and according to information and explanation given and records examined by us, during the year, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment. Therefore, the reporting under clause (iii)(f) of Paragraph 3 of the Order is not applicable to the Company.

iv. According to the information and explanation given to us, the Company has not granted any loan or given any guarantee or provided any security to any of its directors or any person connected to directors which attracts the provisions of Section 185 of the Act from the date when it became effective. The Company has not granted any loan, made investment, given any



Arshiya Northern FTWZ Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to be read with the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report and the Basis for Disclaimer of Opinion in our separate report on the internal financial controls over financial reporting]

guarantee or provided securities from the date when this section become effective for which compliance under Section 186 of the Act is required. In view of the above, our comment on compliance of Section 185 and 186 of the Act is not required.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the rules framed there under. We have been informed that no order relating to Company 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. The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act for the services rendered by the Company. Therefore, reporting under clause (vi) of Paragraph 3 of the Order is not applicable to the Company.

vii. In respect of statutory dues:

a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has been regular in depositing undisputed statutory dues including goods and service tax, professional tax, provident fund, custom duty, cess and any other material statutory dues, as applicable to the Company, during the year with the appropriate authorities except significant delays in payment of tax deducted at source. There are no undisputed amounts payable in respect of statutory dues outstanding as at 31st March, 2023 for a period of more than six months from the date they become payable except:

(Rs. in lakhs)

Nature of Statute	Nature of Dues	Amount	Period to which it relates	Due date	Date of payment
Income Tax Act, 1961	TDS	15.83	Current and previous financial years	Various due dates of Current and previous financial years	Not yet paid
	Interest on TDS	60.85			

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues referred to in sub-clause (a) above which have not been deposited on account of any dispute as at 31st March, 2023.

viii. According to the information and explanations given to us and based on the procedures carried out during the course of our audit, we have not come across any transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. In respect of Borrowings:

a) According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to lenders as mentioned below.

Arshiya Northern FTWZ Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to be read with the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report and the Basis for Disclaimer of Opinion in our separate report on the internal financial controls over financial reporting]

(Rs. in lakhs)

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date*	Whether principal or interest	No. of days delay or unpaid
Secured	Punjab National Bank	9,470.10	Principal	1 to 3652 days
		22,122.76	Interest	
Secured	Edelweiss Asset Reconstruction Company	15,000.00	Principal	1 to 274 days
		3,907.55	Interest	
Secured	State Bank of India	4,034.00	Principal	1 to 150 days
		176.12	Interest	
Secured	Cyber Pearl Information Technology Park Private Limited	2,870.00	Principal	1 to 90 days
		295.87	Interest	

*amount does not include the impact of exceptional gain and unprovided interest

b) According to information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender and confirmation from the lenders is awaited.

c) The Company has not taken any term loan during the year. Therefore, reporting under clause (ix)(c) of Paragraph 3 of the Order is not applicable to the Company.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Ind AS financial statements of the Company, prima facie, we report that out of the funds raised on short-term basis amounting to Rs. 2,870.00 lakhs, funds used by the Company for repayment of long-term loans are Rs. 720.00 lakhs.

e) The Company does not have any subsidiaries, joint ventures or associate companies. Therefore, reporting under clause (ix)(e) and (f) of Paragraph 3 of the Order is not applicable.

x. In respect of issue of shares:

a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year ended 31st March, 2023. Therefore, reporting under clause (x)(a) of Paragraph 3 of the Order is not applicable to the Company.

b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of Paragraph 3 of the Order is not applicable to the Company.

xi. In respect of Fraud:



Arshiya Northern FTWZ Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to be read with the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report and the Basis for Disclaimer of Opinion in our separate report on the internal financial controls over financial reporting]

a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the erstwhile management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

b) No report under Section 143(12) of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the erstwhile management, there have been no whistleblower complaints received by the Company during the year.

xii. The Company is not a Nidhi company. Therefore, reporting under clause (xii)(a), (xii)(b) and (xii)(c) of Paragraph 3 of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required under Ind AS 24 "Related Party Disclosure", (refer Note no. 37 of the Ind AS financial statements) specified under Section 133 of the Act. Section 177 of the Act is not applicable to the Company.

xiv. In our opinion the Company is required to have an internal audit system under Section 138 of the Act. Based on information and explanations provided to us the internal audit is under process and hence the report of the internal auditor is not produced before us for our review. Accordingly, we are unable to comment on the adequacy of internal audit for the size and nature of Company's business.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the suspended directors or person connected with the suspended directors. Therefore, clause (xv) of Paragraph 3 of the Order is not applicable to the Company.

xvi. In respect of registration under section 45-IA of the Reserve Bank of India Act, 1934:

a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) of Paragraph 3 of the Order is not applicable to the Company.

b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Therefore, reporting under clause (xvi)(b) of Paragraph 3 of the Order is not applicable to the Company.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, reporting under clause (xvi)(c) of Paragraph 3 of the Order is not applicable to the Company.

d) As per information & explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Therefore, reporting under clause (xvi)(d) of Paragraph 3 of the Order is not applicable to the Company.

xvii. According to the information and explanations given to us, the Company has incurred cash losses in the current financial year amounting to Rs. 498.02 lakhs (Rs. 8,719.85 lakhs before



Arshiya Northern FTWZ Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to be read with the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report and the Basis for Disclaimer of Opinion in our separate report on the internal financial controls over financial reporting]

exceptional gain) and in the immediately preceding financial year amounting to Rs. 4,392.04 lakhs (Rs. 6,136.76 lakhs before exceptional gain).

xviii. During the year, there has been a change in auditors on account of completion of the term. This change is not considered to be a resignation and therefore, reporting under clause (xviii) of Paragraph 3 of the Order is not applicable to the Company.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, CIR Process initiated by IRP, other information accompanying the Ind AS financial statements, our knowledge of the Suspended Board of Directors and erstwhile management plans and as mentioned in Note no. 41 of the Ind AS financial statements and 'Material Uncertainty Related to Going Concern' paragraph in our main audit report, considering the fact that debt obligations due within next 12 months are significantly greater than the liquid current assets, there exist material uncertainty as on the date of the audit report that the Company shall be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due. As per Section 20 of Insolvency & Bankruptcy Code 2016, currently the operations of the Company are being managed by Mr. Ram Ratan Kanoongo ("IRP") on a going concern basis and accordingly the Ind AS financial statements for the year ended 31st March, 2023 have been prepared on a going concern basis.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. We also report that the Holding Company does not have the ability to discharge the financial liabilities of the Company as and when they fall due.

xx. According to the information and explanations given to us, provisions of Section 135 of the Act are not applicable to the Company. Therefore, reporting under clause (xx) of Paragraph 3 of the Order is not applicable to the Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W / W100149



Dhaval Selwadia
Partner
Membership No. 100023

UDIN: 23100023BGWNFZ4661

Place: Mumbai
Date: 30th May, 2023

Arshiya Northern FTWZ Limited
Annexure B to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date]

Report on Internal Financial Control under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of **Arshiya Northern FTWZ Limited** ("the Company") as of 31st March, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Erstwhile Management's Responsibility for Internal Financial Controls

The Company's erstwhile 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 (the "Guidance Note") 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 Act.

Auditor's 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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.

Because of the matters described in Basis for Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide basis for an audit opinion on internal financial controls system over financial reporting of the Company.

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. The 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 Ind AS 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 erstwhile management and suspended 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 Ind AS 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 erstwhile management override of controls, material misstatements



Arshiya Northern FTWZ Limited
Annexure B to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date]

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.

Basis for Disclaimer of Opinion

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, we are unable to comment on the effectiveness of the internal financial controls over financial reporting with reference to these Ind AS financial statements as at 31st March, 2023 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on the internal financial controls over financial reporting with reference to the Ind AS financial statements of the Company.

Disclaimer of Opinion

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph above, we are unable to obtain sufficient and appropriate evidence to provide a basis for our opinion on whether the Company has adequate internal financial controls over financial reporting with reference to these Ind AS financial statements as at 31st March, 2023.

The erstwhile statutory auditors had given qualified opinion in their statutory audit report dated 27th May, 2022 for the year ended 31st March, 2022.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W / W100149



Dhaval Selwadia
Partner
Membership No. 100023

UDIN: 23100023BGWNFZ4661

Place: Mumbai
Date: 30th May, 2023

ARSHIYA NORTHERN FTWZ LIMITED

BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	62,285.00	62,850.69
(b) Other Intangible assets	6	-	82.35
(c) Other non-current assets	7	5.36	85.51
		62,290.36	**63,018.55**
Current assets			
(a) Financial Assets			
(i) Trade receivables	8	115.88	124.87
(ii) Cash and cash equivalents	9	22.80	27.78
(iii) Loans	10	-	325.00
(iv) Others	11	17.99	197.56
(b) Other current assets	12	250.99	327.11
		407.67	**1,002.32**
(c) Assets held-for-sale	45	7,068.22	7,068.22
TOTAL ASSETS		**69,766.25**	**71,089.09**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	1,086.87	1,086.87
(b) Other Equity	14	(4,431.24)	(3,285.43)
		(3,344.37)	**(2,198.56)**
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	15	84.22	72.07
(b) Provisions	16	7.03	7.72
		91.25	**79.79**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	42,841.52	41,814.45
(ii) Trade Payables	18		
(A) total outstanding dues of Micro, Small and Medium Enterprises (MSME)		39.79	38.31
(B) total outstanding dues of creditors other than MSME		81.49	69.44
(iii) Other financial liabilities	19	29,930.42	31,073.97
(b) Other current Liabilities	20	125.07	210.70
(c) Provisions	21	1.08	0.99
		73,019.37	**73,207.86**
TOTAL EQUITY & LIABILITIES		**69,766.25**	**71,089.09**
Notes to the Financial Statements	1-63		

As per our Report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W / W100149

Dhaval Selwadia
Partner
Membership No.: 100023

Place : Mumbai
Date: May 30, 2023

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

Ajay S Mittal
Director of Suspended Board
DIN : 00226355

Navnit Choudhary
Director of Suspended Board & Chief Financial Officer
DIN : 00613576

Taken on record

Ram Ratan Kanoongo
(Interim Resolution Professional)
IBBI Registration No. IBBI/IPA-001/IP-P00070/2017-18/10156

ARSHIYA NORTHERN FTWZ LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from Operations	22	382.25	326.39
Other Income	23	113.78	130.48
Total Income (I)		**496.03**	**456.87**
Expenses			
Cost of operations	24	21.34	19.51
Employee benefits expenses	25	204.01	226.66
Finance costs	26	7,897.64	6,128.67
Depreciation and amortization expense	27	649.07	1,505.22
Other expenses	28	1,092.89	218.79
Total Expenses (II)		**9,864.95**	**8,098.85**
Loss before exceptional items and tax (I-II)		(9,368.92)	(7,641.98)
Exceptional Items	29	(8,221.83)	(1,744.72)
Loss before tax		**(1,147.09)**	**(5,897.26)**
Tax expense:	35		
Current tax		-	-
Deferred tax		-	-
Loss for the year		**(1,147.09)**	**(5,897.26)**
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit and loss:			
Remeasurement of gain /(loss) on defined benefit plans	33	1.28	1.14
Income tax relating to items that will not be reclassified to profit or loss		-	-
		1.28	1.14
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(1,145.81)**	**(5,896.12)**
Earnings per equity share (face value of Rs. 2 each)			
Basic/ Diluted earnings per share (in Rs.)	30	(10.55)	(54.26)
Notes to the Financial Statements	1-63		

As per our Report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W / W100149

Dhaval Selwadia
Partner
Membership No.: 100023

N. A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date: May 30, 2023

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

Ajay S Mittal	**Navnit Choudhary**
Director of Suspended Board	Director of Suspended Board & Chief Financial Officer
DIN : 00226355	DIN : 00613576

Taken on record

Ram Ratan Kanoongo
(Interim Resolution Professional)
IBBI Registration No. IBBI/IPA-001/IP-P00070/2017-18/10156

Arshiya Northern FTWZ Limited Mumbai

ARSHIYA NORTHERN FTWZ LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A Equity Share Capital (Refer Note 13)

Current Reporting Period - March 31, 2023

(Rs. in lakhs)

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,086.87	-	1,086.87

Previous Reporting Period - March 31, 2022

(Rs. in lakhs)

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,086.87	-	1,086.87

B Other Equity (Refer Note 14)

(Rs. 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, 2021	42,845.95	(40,932.22)	643.01	53.95	2,610.69
Loss for the year	-	(5,897.26)	-	-	(5,897.26)
Other comprehensive income	-	1.14	-	-	1.14
Total comprehensive income for the year	-	**(5,896.12)**	-	-	**(5,896.12)**
As at March 31, 2022	**42,845.95**	**(46,828.34)**	**643.01**	**53.95**	**(3,285.43)**
Loss for the year	-	(1,147.09)	-	-	(1,147.09)
Other comprehensive income	-	1.28	-	-	1.28
Total comprehensive income for the year		**(1,145.80)**			**(1,145.80)**
As at March 31, 2023	**42,845.95**	**(47,974.14)**	**643.01**	**53.95**	**(4,431.23)**
Notes to the financial statements	1-63				

As per our Report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W / W100149

Dhaval Selwadia
Partner Membership No.: 100023

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

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

Ajay S Mittal
Director of Suspended Board
DIN : 00226355

Navnit Choudhary
Director of Suspended Board & Chief Financial Officer
DIN : 00613576

Taken on record

Ram Ratan Kanoongo
(Interim Resolution Professional)
IBBI Registration No. IBBI/IPA-001/IP-P00070/2017-18/10156

Arshiya Northern FTWZ Limited Mumbai

Place : Mumbai
Date: May 30, 2023

ARSHIYA NORTHERN FTWZ LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in lakhs)

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year before tax		**(1,147.09)**	**(5,897.26)**
Adjustments for :			
Sundry Balances / Excess provision Written Back (Net)		(52.17)	-
Settlement of Claims		(8,221.83)	(1,744.72)
Interest income on IT refund		(3.11)	(3.37)
Interest income on Service tax refund		-	(23.85)
Interest income on bank deposits		(0.74)	-
Interest income on loan		-	(45.50)
Provision for Doubtful debts/ Expected Credit Loss		32.08	(1.54)
Depreciation and amortization expenses		649.07	1,505.22
Finance Expense		7,897.64	6,128.67
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES		**(846.15)**	**(82.35)**
Adjustments for			
Trade & other payables		415.87	(12.57)
Trade & other receivables		469.49	78.48
CASH USED IN OPERATIONS		**39.21**	**(16.44)**
Direct Tax (Paid)/ Refunds		83.26	(10.81)
NET CASH FLOW USED IN OPERATING ACTIVITIES	**(A)**	**122.47**	**(27.25)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(1.03)	(3.48)
Interest Income		0.74	-
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(B)**	**(0.29)**	**(3.48)**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings - Non current		(19.32)	0.00
Borrowing - current (Net)		990.53	22.84
Interest paid on borrowings		(1,098.34)	-
NET CASH FLOW FROM FINANCING ACTIVITIES	**(C)**	**(127.13)**	**22.84**
Net Increase/(Decrease) in cash and cash equivalents	**(A+B+C)**	(4.95)	(7.89)
Cash and cash equivalents at the beginning of the year		27.78	35.67
Cash and Cash Equivalents at the end of the year (Refer Note 9)		**22.83**	**27.78**

Note:- Changes in liabilities arising from financing activities :

Particulars	March 31, 2022	Cash flow	INDAS Impact	Other non cash adjustment	March 31, 2023
Current maturities of long term borrowing (Refer Note 17)	27,039.85	(19.32)	55.86	-	27,076.38
Short term borrowing (Refer Note 17)	14,774.60	990.54	-	-	15,765.14

Notes to the Financial Statements 1-63

As per our Report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W / W100149

Dhaval Selwadia
Partner Membership No.: 100023

N. A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

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

Ajay S Mittal
Director of Suspended Board
DIN : 00226355

Navnit Choudhary
Director of Suspended Board & Chief Financial Officer
DIN : 00613576

Taken on record

Ram Ratan Kanoongo
(Interim Resolution Professional)
IBBI Registration No. IBBI/IPA-001/IP-P00070/2017-18/10156

Arshiya Northern FTWZ Limited Mumbai

Place : Mumbai
Date: May 30, 2023

ARSHIYA NORTHERN FTWZ LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 205 & 206, Level 2, 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 application of the Company for change of sector of its Free Trade Warehousing Zone into "Multi sector SEZ" in terms of Rule 6 (A) (i) of SEZ Rules, 2006 is approved on 18th March'2021.

The Financial Statements of the Company for the year ended 31st March, 2023 were approved and adopted by suspended Board of Directors in their meeting held on May 30, 2023.

2 BASIS OF PREPARATION:

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs ("MCA") pursuant to the Section 133 of the Companies Act, 2013 ("the Act") read with 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 and on accrual basis except for certain financial assets and liabilities, which are measured at fair value / amortised cost. The Financial Statements are in accordance with Division II of Schedule III to the Act, as applicable to the Company.

The financial statements are presented in Indian Rs. (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, any cost directly attributable to the bringing the assets to its working condition for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset.

Cost for subsequent additions comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditures are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

The Company identifies and determines cost of each component / part of the plant and equipment separately, if the component / part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

Pre-operation expenses and borrowing cost directly attributable to the cost of construction of the qualifying asset are treated as part of the project cost and are capitalized / allocated to the cost of asset in the year in which the project is completed. Administrative and other expenses which are not directly related to construction are charged to statement of profit and loss.

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.

Depreciation on investment properties is provided using straight line method over the estimated useful lives as specified in Schedule II to the Companies Act, 2013. Residual values, useful lives and method of depreciation of investment properties are reviewed at each financial year end and are adjusted prospectively, if appropriate. The effects of any revision are included in the statement of profit and loss when the changes arises.

Though the Company measures investment properties using cost based measurement, the fair value of investment property is disclosed in the notes.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

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. 1st April, 2016.

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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 operations:

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.

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, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement. Any resulting impairment loss is recognised in the Statements of Profit and Loss as a separate line item. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition. 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 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 measured at amortized cost using effective interest method.

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Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the noncancelable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

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. higher of fair value of assets less cost of disposal 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. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

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.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

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

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.

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Arshiya Northern FTWZ Limited Mumbai

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

Impairment of financial assets

The Company recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and 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 and equity instruments - Initial recognition and measurement:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into 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 the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities - Subsequent measurement:

Trade and other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

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.

3.8 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. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised on satisfaction of performance obligation as per contract and upon transfer of control of goods or rendering of services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

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, which is generally when shareholders approve the payment of dividend.

(iv) Lease income

Lease Income is recognised in the Statement of Profit and Loss on straight line basis over the lease terms, unless there is another systematic basis which is more representative of the time pattern of the lease.

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.

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Arshiya Northern FTWZ Limited * Mumbai *

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:

All employee benefits falling due wholly within twelve months after the end of the reporting period are classified as short-term employee benefits and they are recognised as an expense at the undiscounted amount in the statement of profit and loss in the period in which the employee renders the related service.

(a) Defined Contribution Plan

The Company contributes fixed contribution to a government administered fund towards Provident Fund, Labour Welfare Fund, and Employee State Insurance Scheme and will have no legal or constructive obligation to pay further contribution.
The Company's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

(b) Defined Benefit Plan

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

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

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

3.12 Taxes on Income

Income tax expense represents the sum of current tax, deferred tax or credit and adjustments of taxes for earlier years that may become necessary due to certain developments or reviews during the relevant period. In respect of amounts adjusted outside the statement of profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted in other comprehensive income or in equity and not in the statement of profit and loss.

Current Tax

Provision for current tax is made as per the provisions of Income Tax Act, 1961. 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 applicable. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are 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 tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

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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 taxation authority.
Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits.
Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date. At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

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 expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity 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 / (loss) for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

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

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, share split, etc.

3.15 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.

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.

3.16 Fair value measurement:

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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.

3.17 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.

3.18 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.

3.19 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.

3.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) 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.

3.21 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.

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 Property, plant and equipment and Intangible Assets:

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

4.2 Income Tax:

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

4.3 Contingencies:

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

4.4 Impairment of financial assets:

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

4.5 Impairment of non-financial assets:

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

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

4.6 Defined benefits plans:

The Cost of the defined benefit plan and 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.

4.7 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.

4.8 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 29.

4.9 Fair value measurement of financial instruments :

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

4.10 Recent Accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023





• Ind AS 1 – Preparation of Financial Statements

The Companies should now disclose "Material Accounting Policies" rather than "Significant Accounting Policies". Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

• Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:

(a) Selection of a measurement technique (estimation or valuation technique)

(b) Selecting the inputs to be used when applying the chosen measurement technique

• Ind AS 12 – Income Taxes

Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Application of above standards are not expected to have any significant impact on the Company's financial statements.





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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

5 **PROPERTY, PLANT AND EQUIPMENT**

(Rs. 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, 2021	44,732.90	22,259.41	2,996.31	282.18	3.96	364.47	59.39	737.19	71,435.81
Additions	-	-	-	-	-	3.48	-	-	3.48
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**44,732.90**	**22,259.41**	**2,996.31**	**282.18**	**3.96**	**367.95**	**59.39**	**737.19**	**71,439.29**
Additions	-	-	-	-	-	-	1.03	-	1.03
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2023	**44,732.90**	**22,259.41**	**2,996.31**	**282.18**	**3.96**	**367.95**	**60.42**	**737.19**	**71,440.32**
Accumulated Depreciation/ Impairment									
As at April 1, 2021	-	4,800.95	1,265.00	212.97	3.56	307.03	46.79	570.79	7,207.09
Depreciation for the year	-	966.01	254.85	43.43	-	1.13	1.85	114.24	1,381.51
Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**-**	**5,766.96**	**1,519.85**	**256.40**	**3.56**	**308.16**	**48.64**	**685.03**	**8,588.60**
Depreciation for the year	-	305.55	254.81	2.98	-	1.42	1.96	-	566.72
Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2023	**-**	**6,072.51**	**1,774.66**	**259.38**	**3.56**	**309.58**	**50.60**	**685.03**	**9,155.32**
Net Carrying value as at March 31, 2023	**44,732.90**	**16,186.90**	**1,221.65**	**22.80**	**0.40**	**58.37**	**9.82**	**52.16**	**62,285.00**
Net Carrying value as at March 31, 2022	**44,732.90**	**16,492.45**	**1,476.46**	**25.78**	**0.40**	**59.79**	**10.75**	**52.16**	**62,850.69**

Note:

For details of securities charged on above property, plant and equipment, refer Note 17.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

6	OTHER INTANGIBLE ASSETS	
		(Rs. in lakhs)
	Particulars	**Computer Software**
	Gross Carrying Value	
	As at April 1, 2021	**619.00**
	Additions	-
	Disposals	-
	As at March 31, 2022	**619.00**
	Additions	-
	Disposals	-
	As at March 31, 2023	**619.00**
	Accumulated Amortisation	
	As at April 1, 2021	412.94
	Amortisation for the year	123.71
	Deductions	-
	As at March 31, 2022	**536.65**
	Amortisation for the year	82.35
	Deductions	-
	As at March 31, 2023	**619.00**
	Net Carrying value as at March 31, 2023	**-**
	Net Carrying value as at March 31, 2022	**82.35**

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7 OTHER NON CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Others		
TDS Receivable	5.36	85.51
Total	**5.36**	**85.51**

8 CURRENT ASSETS - TRADE RECEIVABLES

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	115.88	124.87
Trade Receivables which have significant increase in Credit Risk	52.15	20.07
Trade Receivables - credit Impaired	-	-
Total	**168.03**	**144.94**
Less: Allowance for expected credit loss	(52.15)	(20.07)
Total	**115.88**	**124.87**

Notes:

a) The average credit period on sales of services is 0-180 days. No interest is charged on any overdue trade receivables.

b) The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

c) **Trade Receivable ageing schedule as at March 31, 2023**

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
-Considered good	34.68	81.20	-	-	-	-	115.88
-Which have significant increase in credit risk	-	1.14	-	-	11.31	39.70	52.15
-Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
-Considered good	-	-	-	-	-	-	-
-Which have significant increase in credit risk	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Total	**34.68**	**82.34**	**-**	**-**	**11.31**	**39.70**	**168.03**
Less: Allowance for expected credit loss	-	(1.14)	-	-	(11.31)	(39.70)	(52.16)
Total	**34.68**	**81.20**	**-**	**-**	**-**	**-**	**115.87**

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d) **Trade Receivable ageing schedule as at 31 March'22**

(Rs. in lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
-Considered good	14.62	46.41	39.02	11.31	13.51	-	124.87
-Which have significant increase in credit risk	-	-	-	-	20.07	-	20.07
-Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
-Considered good	-	-	-	-	-	-	-
-Which have significant increase in credit risk	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Total	**14.62**	**46.41**	**39.02**	**11.31**	**33.58**	-	**144.94**
Less: Allowance for expected credit loss	-	-	-	-	(20.07)	-	(20.07)
Total	**14.62**	**46.41**	**39.02**	**11.31**	**13.51**	-	**124.87**

e) **Movement in allowance for expected credit loss**	As at March 31, 2023	As at March 31, 2022
Balance as the beginning of the year	20.07	21.60
Movement in allowance for expected credit loss	32.08	(1.53)
Balance at the end of the year	**52.15**	**20.07**

9 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) On current accounts:		
Balances with Bank (Refer Note 9.1 for details)	22.80	27.70
(b) Cash on hand	-	0.08
Total	**22.80**	**27.78**

9.1 CURRENT BANK ACCOUNT DETAILS:

Bank Name	Bank A/c no.	As at March 31, 2023	As at March 31, 2022
Axis bank	20010200039738	5.48	5.48
Axis bank*	918020032939211	2.60	2.37
Punjab National Bank	52002900000072	0.13	0.13
Punjab National Bank	62002900000120	0.00	0.03
Punjab National Bank	62002900000148	14.58	14.58
Punjab National Bank	62002100151592	-	5.05
Punjab National Bank	62002900000139	-	0.06
	Total	**22.80**	**27.70**

** This bank account is controlled by Interim Resolution Professional (IRP) under CIRP.*

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10 CURRENT ASSETS - LOANS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loan to related party		
Loan receivable - credit impaired (Refer Note 37)	325.00	325.00
Less: Allowance for bad and doubtful loan (Refer Note 10.1)	(325.00)	-
Total	**-**	**325.00**

10.1 The Company had given loan with interest of Rs. 325.00 lakhs to Novel for working capital requirement on March 30, 2019 for one year, which was renewed for further 3 years which ended on March 31, 2023. The lender of Novel has filed a legal suit against it for recovery of outstanding loan given to Novel and the matter is sub-judice. Considering the ongoing legal suit filed by the Lender of Novel for recovery of loan and other dues, the Management did not expect the repayment thereof on the due date i.e. March 31, 2023 and hence, decided to provide allowance for the loan amount and interest accrued thereon as upto September 30, 2022. Further, effective October 1, 2022 the Management has decided not to accrue interest income.

11 OTHER CURRENT FINANCIAL ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest receivable from:		
Loan given to Related party	136.75	124.02
Less: Allowance for bad and doubtful loan (Refer Note 10.1)	(136.75)	-
	-	124.02
Security Deposits	17.99	17.49
Financial Guarantee	-	56.05
Total	**17.99**	**197.56**

12 OTHER CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Indirect Tax refund receivable (Refer Note 44)	244.00	314.45
Balances with Government authorities	1.56	1.02
Cash Seized by ED (Directorate of Enforcement)*	3.00	-
Prepaid expenses	2.43	11.64
Total	**250.99**	**327.11**

** Cash balance of Rs. 3 lakhs has been attached by the ED in connection with the proceedings initiated against the Holding company, Arshiya Limited.*

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(Rs. in lakhs)

13 SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
2,40,00,000 (As at March 31, 2022: 2,40,00,000) Equity Shares of Rs. 10 each	2,400.00	2,400.00
10,00,000 (As at March 31, 2022: 10,00,000) Preference Shares of Rs. 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, 2022: 1,08,68,677) Equity Shares of Rs. 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 (Rs. in lakhs)
Equity shares of Rs. 10 each issued, subscribed and fully paid		
At April 1, 2021	1,08,68,677	1,086.87
Issued during the year	-	-
At March 31, 2022	1,08,68,677	1,086.87
Issued during the year	-	-
At March 31, 2023	**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 Rs. 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, 2023		As at March 31, 2022	
	Number	% holding	Number	% holding
Equity shares of Rs. 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	

iv. Shareholding of promoters - Fully Paid Equity Shares

As at 31st March 2023

Category	Promoter's name	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Promoter	Arshiya Limited	1,08,68,077	-	1,08,68,077	100%	-

As at 31st March 2022

Category	Promoter's name	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Promoter	Arshiya Limited	1,08,68,077	-	1,08,68,077	100%	-

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14 OTHER EQUITY

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Securities Premium Account	42,845.95	42,845.95
Retained Earnings	(47,974.15)	(46,828.34)
Equity Component of Guarantee given by Parent Company	643.01	643.01
Equity Component of Loan from Parent Company	53.95	53.95
Total	**(4,431.24)**	**(3,285.43)**

(a) Securities Premium Account

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	42,845.95	42,845.95
Closing Balance	**42,845.95**	**42,845.95**

(b) Retained Earnings

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(46,828.34)	(40,932.22)
Add/(Less):		
(Loss) for the year	(1,147.09)	(5,897.26)
Other comprehensive income	1.28	1.14
Closing balance	**(47,974.15)**	**(46,828.34)**

(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 and the application thereof is governed by Section 52 of the 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 loan 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 considering complete market interest rates adjusted to the facts and circumstances relevant the Company.

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15 OTHER NON-CURRENT FINANCIAL LIABILITIES

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Liabilities at amortised cost		
Security Deposit	77.41	65.16
Advance warehouse rent	6.81	6.91
Total	**84.22**	**72.07**

16 NON-CURRENT LIABILITIES - PROVISIONS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Gratuity (Refer Note 33)	5.17	5.47
Leave encashment (Refer Note 33)	1.86	2.25
Total	**7.03**	**7.72**

17 CURRENT BORROWINGS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
(a) Cash Credit loan from Bank (refer Note 17.1)	63.30	63.30
(b) Loan from Other Party (Refer Note 17.2 & Note 55)	2,870.00	-
(c) Current maturities of long term borrowings		
Term Loans from banks* (Refer Note 17.3)	12,076.38	12,095.70
Term Loans from others (Refer Note 17.4 & Note 43)	15,000.00	14,944.14
Unsecured		
(a) Loans from Holding Company (refer Note 17.5 & Note 37)	12,815.22	14,705.56
(b) Loans from Related Party (refer Note 17.6 & Note 37)	16.62	5.75
Total	**42,841.52**	**41,814.45**

**includes loan aggregating to Rs. 12,076.38 lakhs (March 31, 2022: Rs. 12,095.70 lakhs) recalled by banks.*

17.1 (a) Cash Credit loan of Rs. 63.30 lakhs (March 31, 2022 : Rs. 63.30 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

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Continuing default in repayment of Cash credit loan as at March 31, 2023 is Rs. 63.30 lakhs since FY 2014-2015.

17.2 (b) Loan From Other Party:

Rupee short term loans of Rs. 2,870.00 lakhs (March 31, 2022 : Nil) are secured by:

(1) Details of Security (Refer Note 55)

(i) Second charge on: (a) on 4.51 acres land situated at Khurja FTWZ; and (b) Khurja Warehouse Property (Warehouse no. 54); collectively referred as "Mortgaged Properties".

(ii) Second charge by hypothecation of all development, ownership, leasehold rights and other rights and benefits in respect of the Mortgaged Properties ("Rights"), including but not limited to the proceeds and consideration receivable by the Company, such as lease rentals, parking income, any other income, operation and maintenance charges, common infrastructure charges, sale consideration, deposit / premium, business centre fees, license fees, rent outstanding, claims, present and future book debts, outstanding moneys receivable, claims, bills, insurance proceeds, Bank Accounts, Designated Bank Account, which are now due and owing or which may, at any time, become due and owing to the Company from any person in respect of the Mortgage Properties and Rights ("Receivables");

(iii) Corporate Guarantee from Arshiya Limited

(2) Terms of Interest rate:

-on Term Loans from Banks 14 % p.a. accrued quarterly,

(3) Terms of repayment :-

Agreed to be repaid by December 31, 2022 or such extended time as determined by the Lender.

(4) Amount and period of default in repayment of borrowings (Rs. in lakhs)

Particulars	Period of Default	As at March 31, 2023	As at March 31, 2022
Short term borrowing	2022-23	2,870.00	-
		2,870.00	-

17.3 (c) Current maturities of long term borrowings

i. Rupee term loan from Banks:

Rupee term loans of Rs. 11,375.70 lakhs (March 31, 2022 : Rs. 12,095.70 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 Loans from Banks 13 % p.a.,

(3) Terms of repayment: (Rs. in lakhs)

Financial Year	Term Loans from Banks	
	As at March 31, 2023	As at March 31, 2022
2012-2013	-	595.74

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2013-2014	1,285.97	1,410.23
2014-2015	1,680.76	1,680.76
2015-2016	8,408.97	8,408.97
Total	**11,375.70**	**12,095.70**

(4) Amount and period of default in repayment of borrowings: **(Rs. in lakhs)**

Particulars	Period of Default	As at March 31, 2023	As at March 31, 2022
Current maturity of Rupee Term loans	2012-13	-	595.74
	2013-14	1,285.97	1,410.23
	2014-15	1,680.76	1,680.76
	2015-16	8,408.97	8,408.97
Total		**11,375.70**	**12,095.70**

17.4 ii. Rupee term loan from other parties :

Rupee term loans of Rs. 15,000.00 lakhs (March 31, 2022 : Rs. 14,944.14 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 12% p.a. compounded monthly, payable half yearly.

(3) Terms of repayment :-

(Rs. in lakhs)

Repayable on	Term Loans from others	
	As at March 31, 2023	As at March 31, 2022
30th June'22	10,000	10,000
31st Dec'22	5,000	5,000
31st Dec'22	2,870	-
Total	**17,870**	**15,000**

(4) The amortised cost disclosed above is net off of incidental cost of borrowings aggregating to Rs. 55.86 lakhs for March 31, 2022.

17.5 Unsecured Loan from Holding Company

Interest free loan payable at the end of 1 year or repayable on demand.

17.6 Unsecured Loan from Related party

Interest free loan payable at the end of 1 year or repayable on demand.





18 CURRENT LIABILITIES- TRADE PAYABLES

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of Micro, Small and Medium Enterprises (MSME) (Refer Note 18.3)	39.79	38.31
Total outstanding dues of creditors other than MSME	81.49	69.44
Total	**121.28**	**107.75**

18.1 Trade Payable ageing schedule as at 31 March'23

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	37.39	1.68	0.72	-	-	39.79
(ii) Others	61.14	12.39	7.23	0.62	0.11	81.49
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
Total	**98.53**	**14.07**	**7.95**	**0.62**	**0.11**	**121.28**

18.2 Trade Payable ageing schedule as at 31 March'22

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	13.56	17.83	6.92	-	-	38.31
(ii) Others	37.61	29.38	0.17	0.94	1.34	69.44
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
Total	**51.17**	**47.21**	**7.09**	**0.94**	**1.34**	**107.75**

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

(Rs. in lakhs)

Particulars	For the year March 31, 2023	For the year March 31, 2022
(i) the principal amount remaining unpaid to any supplier at the end of financial year;	39.79	38.31
(ii) the interest due on above, remaining unpaid to any supplier at the end of financial year;	1.20	2.65
(iii) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during financial year;	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
(v) the amount of interest accrued and remaining unpaid at the end of financial year; and	1.20	2.65
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

19 OTHER CURRENT FINANCIAL LIABILITIES

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial liabilities at amortised cost		
Interest accrued and due on borrowings from banks* (Refer Note 19.1)	23,663.30	28,541.44
Interest accrued but not due on borrowings from others	4,203.42	920.20
Security deposit	7.69	7.65
Advance warehouse rent	2.54	6.98
Other payables		
Project Creditors	2,013.84	1,554.34
Employee's dues**	39.63	43.36
Total	**29,930.42**	**31,073.97**

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*Includes Interest accrued and due on Term Loans aggregating to Rs. 22,840.61 lakhs (March 31, 2022: Rs. 27,841.74 lakhs) recalled by banks.
* Includes interest accrued and due on cash credit facility aggregating to Rs. 822.69 lakhs (March 31, 2022 Rs. 699.70 lakhs) recalled by bank.
** Includes Full and Final settlement of Rs. 23.27 lakhs (March 31, 2022 Rs. 21.06 lakhs)

19.1 * Amount and period of default in payment of interest on borrowings from banks

(Rs. in lakhs)

Particulars	As at March 31, 2023	
	Banks	Period of Default
Interest accrued & due on borrowing from banks	2,073.35	2013-14
	1,778.92	2014-15
	2,029.43	2015-16
	2,280.95	2016-17
	2,797.46	2017-18
	3,987.49	2018-19
	3,760.87	2019-20
	4,270.98	2020-21
	4,862.29	2021-22
	3,921.38	2022-23
Total	**31,763.12**	

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

(Rs. in lakhs)

Particulars	As at March 31, 2023	
	Banks	Period of Default
Interest accrued & due on cash credit from banks	51.04	2014-15
	58.31	2015-16
	60.17	2016-17
	64.64	2017-18
	175.16	2018-19
	93.19	2019-20
	91.27	2020-21
	105.92	2021-22
	123.00	2022-23
Total	**822.70**	

20 OTHER CURRENT LIABILITIES

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue received in advance	3.02	1.53
Statutory dues*	54.20	103.93
Interest on delayed payment on statutory dues	67.85	105.24
Total	**125.07**	**210.70**

** Statutory dues include TDS, PF, ESIC, Employee professional tax*

21 CURRENT LIABILITIES - PROVISIONS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Gratuity (Refer Note 33)	0.51	0.35
Leave encashment (Refer Note 33)	0.57	0.64
Total	**1.08**	**0.99**

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22 REVENUE FROM OPERATIONS

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Storage Income	375.44	324.66
Material Handling and other services	4.21	1.73
Other Operating Revenues		
Implementation charges	2.60	-
	382.25	**326.39**

23 OTHER INCOME

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income		
Interest income on Income Tax refund	3.11	3.37
Interest income on Service Tax refund	-	23.85
Interest income on loan given	-	45.50
Interest income from bank deposits	0.74	-
Other income		
Excess provision written back (including interest on statutory dues)	52.17	-
Lease Income	57.76	57.76
	113.78	**130.48**

24 COST OF OPERATIONS

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
MHE Labour - Skilled	9.92	9.64
Equipment hire and other charges	11.42	9.87
	21.34	**19.51**

25 EMPLOYEE BENEFITS EXPENSES

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	138.06	133.77
Contribution to provident and other funds	2.33	2.78
Share based payments to employees*	59.79	86.92
Staff welfare expenses	3.83	3.19
	204.01	**226.66**

* As per Employees Stock Option Scheme, 2019, parent company approved grant of employee stock options to eligible employees. Parent company recognise expenses and allocated through cost allocation.

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26 FINANCE COSTS

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on Financial liabilities measured at amortised cost		
Interest expense on borrowings	7,436.79	6,039.83
Interest on security deposits	7.56	11.58
Interest expense others		
Interest on delayed payment of statutory dues	13.09	17.94
Interest on MSME vendors	1.20	2.65
Interest on delayed payment to project creditor	377.19	-
Others		
Guarantee commission expense	56.05	56.05
Bank charges	5.76	0.62
	7,897.64	**6,128.67**

27 DEPRECIATION AND AMORTISATION EXPENSE

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on tangible assets	566.72	1,381.51
Amortisation on intangible assets	82.35	123.71
	649.07	**1,505.22**

28 OTHER EXPENSES

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Repairs and maintenance		
- Building	8.87	26.61
- Others	1.49	0.91
Advertisement	0.07	0.71
Payments to Auditors (Refer below note)	5.40	6.00
Electricity charges	32.87	33.25
Insurance	2.48	4.90
Legal and professional fees	422.41	67.96
CIRP expenses	3.00	-
Rates and taxes	37.07	1.45
Printing and Stationary	2.06	2.33
Security Charges	47.93	44.99
Telephone and internet expenses	2.78	3.01
Travelling & conveyance expenses	6.53	0.83
Vehicle Expenses	1.36	1.77
Allowance for bad and doubtful loan	461.75	-
Allowance for expected credit loss	32.08	(1.53)
Net loss on foreign transaction and translation	0.61	2.08
Miscellaneous expenses	24.13	23.52
Total	**1,092.89**	**218.79**

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(a) Details of Payments to auditors

(Rs. in lakhs)

	2022-23	2021-22
As Statutory Auditor		
Audit Fee	5.40	6.00

29 EXCEPTIONAL ITEMS

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Settlement of Claim (Refer Note 43)	(8,221.83)	(1,744.72)
	(8,221.83)	**(1,744.72)**





30 EARNINGS PER SHARE (BASIC AND DILUTED)

Particulars	As at March 31, 2023	As at March 31, 2022
Loss attributable to the equity shareholders of the Company		
Loss after tax (A) (Rs. in lakhs)	(1,147.09)	(5,897.26)
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) (Rs.)	(10.55)	(54.26)
Nominal Value of an equity share (Rs.)	10	10

31 CONTINGENT LIABILITIES

(to the extent not provided for)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Claims against the Company not acknowledged as debt*	2,230.47	2,607.67
(b) Bond cum legal undertaking given to Noida Special Economic Zone	3,830.21	3,830.21
(c) Corporate guarantee (Refer Note 32)	5,564.30	-

** The said claim is rejected by NCLT vide order dated May 15, 2023. The timeline for filing petition before the Hon'ble High Court is pending.*

No cash outflow is expected in near future.

32 CORPORATE GUARANTEE

(a) Corporate Guarantee is given jointly and severally by Holding Company (Arshiya Limited) and the Company to lenders of the following company:

Mira Supply Chain Management Private Limited to secure term loan of Rs. 18,500 lakhs (March 31, 2022: Rs 18,500 lakhs). The principal outstanding of loan as on March 31, 2023 is Rs. 2,965.11 lakhs (March 31, 2022: Rs. 2,965.11 lakhs). As per 3rd Committee of Creditors (CoC) meeting's minutes, amount claimed and admitted is Rs. 5,133.14 lakhs.

(b) Corporate Guarantee is given by the Company to lenders of the Holding Company:

To secure term loan of Rs. 550 lakhs (March 31, 2022: Nil). The principal outstanding of loan as on March 31, 2023 is Rs. 200 lakhs (March 31, 2022: Nil). As per 3rd Committee of Creditors (CoC) meeting's minutes, amount claimed and admitted is Rs. 431.16 lakhs.

33 EMPLOYEE BENEFIT

33.1 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:

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employer's Contribution to Provident Fund	0.70	1.00
Employer's Contribution to Pension Scheme	1.58	1.78
Employer's Contribution to ESIC	0.05	-

(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

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provisions for Leave encashment		
Current	0.57	0.64
Non Current	1.86	2.25
Total Employee Benefit Obligation	**2.43**	**2.89**

(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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Particulars	31-Mar-23	31-Mar-22
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2012-14) Ult	Indian Assured lives Mortality (2012-14) Ult
Discount rate	7.30%	6.10%
Expected return on plan assets	6.10%	5.60%
Salary Escalation Rate	5.00%	5.00%
Withdrawal Rate	20.00%	20.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Liability as at the beginning of the year	6.80	10.64
Interest cost	0.41	0.60
Current service cost	0.80	0.87
Benefits paid	-	(4.18)
Actuarial (gain)/loss on obligations	(1.28)	(1.13)
Acquisition adjustment	-	-
Liability as at the end of the year	6.73	6.80
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	0.98	0.93
Expected return on plan assets	0.06	0.05
Actual Enterprise's Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	1.04	0.98
IV. Actual return on plan assets		
Expected return on plan assets	0.06	0.05
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	0.06	0.05
V. Liability recognised in the Balance Sheet		
Liability as at the end of the year	6.73	6.80
Fair value of plan assets as at the end of the year	1.04	0.98
Liability recognised in the Balance Sheet	5.69	5.82
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	0.80	0.87
Interest cost	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be on obligation	0.35	0.55
Expense recognised in Statement of Profit and Loss	1.15	1.42
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	(0.35)	(0.13)
Due to Change in demographic assumption	-	0.00
Due to Change in experience assumption	(0.93)	(1.00)
Expected return on plan assets	-	-
Total measurement recognised in OCI	(1.28)	(1.13)
IX. Balance Sheet reconciliation		
Opening net liability	5.82	9.71
Expenses recognised in Profit & Loss	1.15	1.42
Actual Employer Contribution	-	(4.18)
Net transfer by group companies	-	-
Net transfer to group companies	-	-
Total Remeasurement recognised in OCI	(1.28)	(1.13)
Acquisition adjustment	-	-
Closing net liability	5.69	5.82

(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.





33.2 Sensitivity analysis:

Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended 31st March, 2023		
Salary growth rate	+0.50%	6.88
	-0.50%	6.59
Discount rate	+0.50%	6.59
	-0.50%	6.87
For the year ended 31st March, 2022		
Salary growth rate	+0.50%	6.95
	-0.50%	6.65
Discount rate	+0.50%	6.66
	-0.50%	6.95

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.

(D) Liquidity risk - This is the risk that the Company is not able able to meet the short - term gratuity payouts. This may rise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

33.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 5 years (31st March, 2022 - 5 years).

(Rs. in lakhs)

Expected cash flows over the next (valued on undiscounted basis)	Amount
1st Year	1.56
2nd Year	1.31
3rd Year	1.10
4th Year	0.92
5th Year	0.80
6 to 10 year	2.42

34 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 4 customers (March 31, 2022 - 3 customers) aggregating to Rs. 327.15 lakhs (March 31, 2022 Rs. 268.60 lakhs) constituting 85% (March 31, 2022-83%) of Revenue.

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35 TAXATION

i) Tax Reconciliation

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Reconciliation of tax expense		
Loss before tax	(1,147.09)	(5,897.26)
Enacted income tax rate (%) applicable to the Company #	26.00%	26.00%
Tax expenses calculated at enacted income tax rate	(298.24)	(1,533.29)
Related to Property plant & equipment	(168.48)	11.57
Effect of Expenses that are not deductible in determining taxable profit	1,875.15	1,590.40
Effect of Incomes that are not allowable in determining taxable profit	(2,137.92)	(453.63)
Tax Losses	729.51	384.95

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

(Rs. in lakhs)

Assessment Year	Business Loss	Available for utilisation till Assessment Year	Unabsorbed Depreciation
2012-2013	-		2,067.39
2013-2014	-		2,352.44
2014-2015	-		3,645.07
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	583.44	2027-2028	2,076.64
2020-2021	656.91	2028-2029	1,855.88
2021-2022	-	2029-2030	1,449.04
2022-2023	19.86	2030-2031	1,460.70
2023-2024	1,508.70	2031-2032	1,297.09
Total	**16,849.59**		**26,645.06**

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, 2023 Rs. 11,912.00 Lakhs (31st March, 2022 - Rs. 10,552.58 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:-

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Property plant equipment	1,724.43	1,555.95
Financial Instruments	5.00	0.52
Unabsorbed depreciation	(6,927.72)	(6,590.47)
Expense allowable on payments under section 43B and 40(a)(ia)	(2,307.04)	(1,530.99)
Unabsorbed loss	(4,406.68)	(3,987.60)
Total Deferred Tax Assets	**(11,912.01)**	**(10,552.59)**

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36 FINANCIAL RATIOS

Sr. No.	Particulars	2022-23	2021-22	% Changes	Reason for deviation
1	Current ratio	0.01	0.01	0%	
2	Debt- Equity ratio*	-	-	-	
3	Debt Service Coverage Ratio**	0.94	0.28	231%	Reduction in losses due to exceptional gain during the year
4	Return on equity ratio (%)***	-	-	-	
5	Inventory turnover ratio	-	-	-	
6	Trade receivables turnover ratio	3.18	2.60	22%	
7	Trade payables turnover ratio	0.19	0.21	-11%	
8	Net capital turnover ratio	-	-	0%	
9	Net profit ratio (%)	-300%	-1807%	-83%	Reduction in losses due to exceptional gain during the year
10	Return on Capital employed (%)	17%	1%	2826%	Reduction in losses due to exceptional gain during the year
11	Return on investment	-	-	-	

** Debt- Equity Ratio is not applicable as equity is negative.*
*** Exceptional gain is considered in calculating earnings*
**** Return on equity Ratio is not applicable due to loss in both years*

36.1 Formula for computation of ratios are as follows:

Sr. No.	Ratios	Numerator	Denominator
1	Current Ratio	Current assets	Current liabilities
2	Debt- Equity Ratio	Total debt	Total Equity
3	Debt Service Coverage Ratio	Earnings available for debt service (Net profit after tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost & lease payment + principal repayment of long term borrowings during the year
4	Return on equity Ratio (%)	Profit after tax	Average total equity [(Opening Equity Share capital + Opening Other equity + Closing Equity Share Capital + Closing Other Equity)/2
5	Inventory Turnover Ratio	Revenue from operations	Average inventory (Opening balance+ closing balance)/2
6	Trade receivable turnover Ratio	Revenue from operations	Average trade receivable (Opening balance + closing balance) /2
7	Trade payable turnover Ratio	Cost of Services & Other Expenses	Average trade payables (Opening balance + closing balance) /2
8	Net Capital turnover Ratio	Revenue from operations	Working capital (Current assets - Current liabilities)
9	Net profit ratio (%)	Loss after tax	Revenue from operations
10	Return on Capital Employed (%)	Earning before interest and taxes	Total equity + Total debts
11	Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - Impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank

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37 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 3PL 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. Amit Gupta - Chief Executive Officer (w.e.f. June 27, 2020 till Sept 8, 2021) Ms. Komal Toshniwal - Company Secretary (w.e.f. July 1, 2021 till June 30, 2022)	Key Managerial Personnel (KMP)		
4	Novel FTWZ Limited NCR Rail Infrastructure Limited	Controlled or jointly controlled entities		

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

(Rs. in lakhs)

Name	Nature of Transaction	March 31, 2023	March 31, 2022
Arshiya Logistics Services Limited	Storage Income	1.84	-
	Handling Income	0.04	-
	Warehousing Rent income	-	4.15
	Interest expense on Security deposit	-	(4.75)
Arshiya 3PL Services Private Limited	Storage Income	166.32	134.12
	Handling Income	1.60	0.51
	Warehousing Rent income	3.96	3.96
	Interest expense on Security deposit	(4.30)	(3.84)
Arshiya Limited	Lease rent income	57.76	57.76
NCR Rail Infrastructure Limited	Reimbursement of expenses	44.84	7.55
Novel FTWZ Limited	Interest income	-	45.50
Arshiya Limited	Loans taken	(523.83)	(329.06)
	Loan repayments (Refer Note 42)	2,483.57	447.09
	Allocation of cost and common expenses by Holding Company*	(69.40)	(135.12)
	Financial Guarantees	(56.05)	(56.05)
NCR Rail Infrastructure Limited	Loans taken	(185.21)	(23.12)
	Loan repayments (Refer Note 42)	174.34	9.82

* The Holding Company has allocated certain common cost and expenses incurred by it, to the Company aggregating to Rs. 69.40 lakhs (31st March, 2022 - Rs. 98.05 lakhs) based on Holding Company's estimates of such cost and expenses attributable to the Company. Hence, Employee benefit expenses (Refer Note 25) and certain expenses stated under other expenses (Refer Note 28) are presented as inclusive of such allocation of certain common costs and expenses.

(iii) Closing Balances

(Rs. in lakhs)

Name	March 31, 2023	March 31, 2022
Trade Receivables		
Arshiya Logistics Services Limited	1.62	-
Arshiya 3PL Services Limited	84.51	88.26
Advances from Related parties		
Arshiya Logistics Services Limited	-	-
Loans from related parties		
Arshiya Limited	12,815.22	14,705.56
NCR Rail Infrastructure Limited	16.62	5.75





Loan to Related parties including interest receivable		
Novel FTWZ Limited (Refer Note 10.1)	-	449.02
Security deposit received		
Arshiya Logistics Services Limited	-	45.00
Arshiya 3PL Services Limited	40.17	35.86
Advance warehouse rent		
Arshiya Logistics Services Limited	-	-
Arshiya 3PL Services Limited	3.97	7.93
Financial Guarantee		
Arshiya Limited	-	56.05
Corporate Guarantee taken		
Arshiya Limited	28,450.00	28,450.00
Corporate Guarantee given		
Arshiya Limited (Refer Note 32)	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

(iv) Key management personnel compensation

Ms. Komal Toshniwal - Company Secretary (w.e.f. July 1, 2021 to June 30, 2022)

(Rs. in lakhs)

Particulars	**March 31, 2023**	**March 31, 2022**
Short term employee benefits	0.59	1.50
Total	**0.59**	**1.50**

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38 FAIR VALUE MEASUREMENTS

(i) Financial Instruments by Category

(Rs. in lakhs)

Particulars	Carrying Amount		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	115.88	124.87	115.88	124.87
Loans	-	325.00	-	325.00
Cash and Cash Equivalents	22.80	27.78	22.80	27.78
Security Deposits	17.99	17.49	17.99	17.49
Interest receivable	-	124.02	-	124.02
Financial Guarantee	-	56.05	-	56.05
Total	**156.67**	**675.21**	**156.67**	**675.21**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	42,841.52	41,814.45	42,841.52	41,814.45
Trade Payables	121.28	107.75	121.28	107.75
Other financial liabilities	30,014.64	31,146.05	30,014.64	31,146.05
Total	**72,977.44**	**73,068.25**	**72,977.44**	**73,068.25**

(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, 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 measured at fair value. To provide an indication about the reliability of the inputs used in determining 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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39 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 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 – 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 **(Rs. in lakhs)**

Particulars	Less than 1 year	Between 1 year and 5 years	More than 5 year
March 31, 2023			
Borrowings	42,841.52	-	-
Trade payables	121.28	-	-
Other financial liabilities	29,930.42	-	-
Total Financial liabilities	**72,893.22**	-	-





March 31, 2022			
Borrowings	41,870.30	-	-
Trade payables	107.75	-	-
Other financial liabilities	31,073.97	-	-
Total Financial liabilities	**73,052.02**	**-**	**-**

(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:

Particulars	Currency	Financial Year Ended	Foreign currency amount (in lakhs)	Equivalent amount (Rs. in lakhs)
Trade receivables	USD	March 31, 2023	0.79	59.52
		March 31, 2022	0.68	49.59
	EURO	March 31, 2023	0.10	8.82
		March 31, 2022	0.04	3.78
Security deposits from customer	USD	March 31, 2023	0.36	24.86
		March 31, 2022	0.36	24.86
Advance from customer	USD	March 31, 2023	0.02	1.82
		March 31, 2022	0.02	1.59

1.2 Sensitivity

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(Rs. in lakhs)

	Increase/(decrease) in profit before tax	
Particulars	**March 31, 2023**	**March 31, 2022**
FX rate - increase by 1% on closing rate of reporting date	0.68	0.53
FX rate - (decrease) by 1% on closing rate of reporting date	(0.68)	(0.53)

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, 2023 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:-

(Rs. in lakhs)

Particulars	March 31, 2023	March 31, 2022
Variable rate borrowings	12,139.68	12,159.00

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Interest sensitivity

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

(Rs. in lakhs)

Particulars	Impact on profit before tax	
	March 31, 2023	March 31, 2022
Interest sensitivity		
50 bps increase the profit before tax by*	(60.70)	(60.80)
50 bps decrease the profit before tax by*	60.70	60.80
* Holding all other variable constant		

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41 Preparation of financial statements on "Going Concern" basis

1. The Company is a subsidiary of Arshiya Limited and is a Free Trade Warehousing Zone (FTWZ) developer with pan India operations. Various financial facilities were obtained by the Company from a consortium of banks for the purpose of construction of a FTWZ at Khurja District in the State of Uttar Pradesh. The Company defaulted on making the repayments from time to time. As a result of the continuous defaults, the account of the Company was declared as a Non-Performing Asset (NPA) by State Bank of India and Punjab National Bank. Thereafter, Notices under Section 13(2) of the SARFAESI Act, 2002 were issued and the proceedings for recovery of the outstanding debt in the Debt Recovery Tribunal were initiated. Meanwhile, since no repayments were made by the Company despite admission of their obligation, proceedings under Section 7 of the IBC were initiated and accordingly, Petition(s) were filed. The Company approached with OTS proposals, which were approved, and sanction letters were issued stating the amount to be paid and the timelines therefor. However, due to operational difficulties and lack of liquidity, the Company was unable to meet this obligation. Consequent to which OTS Sanction granted previously was cancelled by PNB. The Company filed Reply to the Petition(s) and contended that the Petition is barred by limitation amongst other contentions and submitted to dismiss the Petition. The Hon'ble NCLT vide order dated November 11, 2022 and December 12, 2022 have admitted the Petitions of SBI and PNB and ordered the initiation of CIR Process against the Company.

2. As the matters stands, the Hon'ble NCLT has admitted the applications for commencement of CIRP against the Company and appointed Interim Resolution Professional (IRP) and moratorium has been imposed in terms of Section 14 of the Code. As per IBC Code, IRP made public announcement on February 17, 2023 for inviting proof of claims from the Creditors. Consequently, the powers of the Board of Directors are suspended with effect from November 14, 2022 (date of Hon'ble NCLT Order) and are vested with Interim Resolution Professional (IRP). IRP will continue till the completion of CIRP. In terms of Section 20 of IBC, currently the affairs of the Company are managed by IRP on a going concern basis. Accordingly, these Financial Statements are continued to be prepared on a Going Concern Basis.

3. Post commencement of the CIRP, these Financial Statement have been prepared by the suspended management of the Company till the commencement of CIRP period and provided to IRP. Thereafter, IRP has prepared these Financial Statement in accordance with the duties under section 17 of the IBC, 2016. IRP does not make any representation or issue any statement in relation to the Financial Statements whether or not these are true and fair, complete and accurate in all respect except the expenses incurred during CIRP.

4. In terms of Section 21(1) & 18(1)(c) of the IBC and its regulations, IRP constituted the Committee of Creditors (CoC) and initiated claim verification process. IRP circulated result of e-voting on formation of CoC and particulars of members of CoC. IRP received total claims amount from Financial Creditors of Rs. 99,630.22 lakhs and post verification, IRP admitted claims of Rs. 81,723.27 lakhs, which are subject to discretion of CoC.

5. The expenses incurred on CIRP during the period November 14, 2022 to March 31, 2023 aggregates to Rs. 8.09 lakhs has been approved by CoC through e-voting. Result of e-voting was communicated on April 26, 2023.

6. The Finance Cost inclusive of the Interest on debt for the year ended March 31, 2023 aggregating to Rs. 2,790.60 lakhs is subject to the outcome of the CIRP under IBC.

42 The Company had made payments to its Holding Company of Rs. 92 lakhs and NCR Rail Infrastructure Ltd. of Rs. 24.25 lakhs (aggregating to Rs. 116.25 lakhs) between November 14, 2022 and February 15, 2023 (moratorium period). However, the IRP during the 1st meeting of Committee of Creditors on March 20, 2023, had directed the Company to reverse these payments as these were made during the moratorium period. Out of this, the Company has only reversed Rs. 6.50 lakhs on April 25, 2023. The Company is currently in process of reversing balance payments.

43 (a) The Company has received Settlement of Debt letter (settlement) dated August 4, 2022 from State Bank of India (SBI). SBI has settled its existing dues at Rs. 4,754.00 lakhs as the settlement amount. The Company has not complied with repayment terms of the settlement. The Company is in discussion with SBI for pending compliances of the conditions precedent and further, there is no communication about revocation of settlement from SBI.
In view of the above, accounting treatment of the settlement was given in the books during the quarter ended June 30, 2022 and the same continues. The Company has recorded the gain on settlement as an exceptional item of Rs. 8,221.83 lakhs (comprising of principal of Rs. (700.68) lakhs and interest of Rs. 8,922.51 lakhs).

(b) The Company has received Settlement of Debt letter (settlement) dated March 4, 2022 from Edelweiss Assets Reconstruction Company Limited (EARC) with Cut-off date as on September 30, 2021. EARC has settled its existing dues at Rs. 15,000 lakhs as the Settlement Amount. The Company has not complied with conditions precedent of the settlement. The Company is in discussion with EARC for pending compliances of the conditions precedent, further, there is no communication about revocation of settlement from EARC.
In view of the above, accounting treatment of the settlement was given in the books during the year ended March 31, 2022 and the same continues. The Company has recorded the gain on settlement as an exceptional item of Rs. 1,744.72 lakhs (comprising of principal

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(c) Accordingly, interest expenses of year ended March 31, 2023 and March 31, 2022 has been recorded after giving impact of settlement.

44 **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 Rs. 244 lakhs are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds. However, the said appeals have been rejected by the authorities on multiple levels, but since further appeal is preferred before higher authorities, the Management expect favourable outcome.

45 Board of Directors of the Company had approved the transaction to monetize one warehouse 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 acres with estimated future development potential of approximately 3 million square feet besides the 2 existing warehouse already constructed.

The Company and Parent Company had entered into a Share Purchase Agreement dated March 13, 2020 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 acquire such co-developer entity along with Warehouse on long term lease basis.

Accordingly, the assets pertaining to Warehouse No. 54 has been classified as 'Assets Held for Sale'.

The fulfilment of the Conditions Precedent was extended till December 31, 2022 which further extended to December 31, 2023. The Management is confident that the conditions will be complied with and accordingly the transaction shall materialise.

(Rs. in lakhs)

Net value of Assets	March 31, 2023	March 31, 2022
Freehold Land	1,804.50	1,804.50
Buildings	5,125.94	5,125.94
Plant and Equipments	77.70	77.70
Furniture and Fixtures	43.75	43.75
Office Equipments	4.06	4.06
Computer	0.07	0.07
Electric Installations	12.20	12.20
Total	**7,068.22**	**7,068.22**

46 The Company has requested all its lenders for independent confirmation of their outstanding as on March 31, 2023 with a request to confirm their balances directly to the statutory auditors. The Company is confident that there will not be significant changes in its liabilities.

47 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.

48 **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.

49 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 in Note 22.

Revenue disaggregation by geography is as follows:

(Rs. in lakhs)

Geography	For the year ended March 31, 2023	For the year ended March 31, 2022
In India	382.25	326.39
Outside India	-	-

Revenue disaggregation by timing of revenue recognition is as follows:

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(Rs. in lakhs)

Geography	For the year ended March 31, 2023	For the year ended March 31, 2022
Goods transferred at a point in time	-	-
Service transferred over time	382.25	326.39

50 The Company is required to appoint a Company Secretary as per section 203 of the Companies Act, 2013. The Company has not complied with the said requirement.

51 The Company do not have any transactions and balances with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

52 The Parliament of India has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post-employment. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

53 No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

54 The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

55 The Company does not have any pending creation of charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period except in one case i.e. Cyber Pearl Information Technology Park Pvt. Ltd., a Second Charge on the mortgaged properties, which was required to be registered with ROC by June 30, 2022 and the same has not been registered leading to delay by 275 days.

56 The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

57 The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

58 The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

59 The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

60 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

61 Utilisation of borrowed funds as on March 31, 2023, there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

62 The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company.

N.A. SHAH ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

Arshiya Northern FTWZ Limited Mumbai

63 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	1-63

As per our Report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W / W100149

Dhaval Selwadia

Partner
Membership No.: 100023

Place : Mumbai
Date: May 30, 2023

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

Ajay S Mittal	**Navnit Choudhary**
Director of Suspended Board	Director of Suspended Board & Chief Financial Officer
DIN : 00226355	DIN : 00613576

Taken on record

Ram Ratan Kanoongo
(Interim Resolution Professional)
IBBI Registration No. IBBI/IPA-001/IP-P00070/2017-18/10156

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Independent Auditor's Report

To the Members of Arshiya Northern Projects Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Arshiya Northern Projects Private Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2023,** the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ('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 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.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board of Director's Report, but does not include the consolidated financial statements and our auditor's report thereon. The Board of Director's Report is expected to be made available to us after the date of this auditor's report.

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

WALKER CHANDIOK & Co LLP * MUMBAI * CHARTERED ACCOUNTANTS

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

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

When we read the Board of Director's 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

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

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

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- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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; and

- 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.

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    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 financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in **Annexure B** wherein we have expressed an unmodified opinion; and

    g) 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 as at 31 March 2023;

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 21(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 21(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023; and

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 23508835BGXHYC8162

Place: Mumbai
Date: 30 May 2023

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Arshiya Northern Projects Private Limited on the financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

(i) The Company does not have any property, plant and equipment, intangible assets, right of use assets or investment property and accordingly, reporting under clause 3(i) of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, 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 deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.



Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Arshiya Northern Projects Private Limited on the financial statements for the year ended 31 March 2023

(ix) (a) According to the information and explanations given to us, interest free loan amounting to INR 15.04 lakhs is repayable on demand. Further, such loan has not been demanded for repayment as on balance sheet date.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by its lender.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143 (12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) The Company has not entered into any transactions with the related parties covered under Section 188 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act. Accordingly, reporting under clause 3(xiii) of the Order is not applicable to the Company.



Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Arshiya Northern Projects Private Limited on the financial statements for the year ended 31 March 2023

(xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to INR 2.24 lakhs and INR 4.36 lakhs respectively.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.



Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Arshiya Northern Projects Private Limited on the financial statements for the year ended 31 March 2023

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.: 508835

UDIN: **23508835BGXHYC8162**

Place: Mumbai
Date: 30 May 2023

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Annexure B to the Independent Auditor's Report of even date to the members of Arshiya Northern Projects Private Limited on the financial statements for the year ended 31 March 2023

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Arshiya Northern Projects Private Limited** ('the Company') as at and for the year ended **31 March 2023**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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.

WALKER CHANDIOK & Co LLP * MUMBAI * CHARTERED ACCOUNTANTS

Annexure B to the Independent Auditor's Report of even date to the members of Arshiya Northern Projects Private Limited on the financial statements for the year ended 31 March 2023

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.: 508835

UDIN: **23508835BGXHYC8162**

Place: Mumbai
Date: 30 May 2023

Walker Chandiok &Co LLP

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Independent Auditor's Report

To the Members of Arshiya Northern Projects Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Arshiya Northern Projects Private Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2023,** the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ('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 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.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board of Director's Report, but does not include the consolidated financial statements and our auditor's report thereon. The Board of Director's Report is expected to be made available to us after the date of this auditor's report.

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

WALKER CHANDIOK & Co LLP * MUMBAI * CHARTERED ACCOUNTANTS

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

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

When we read the Board of Director's 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

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

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

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- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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; and

- 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.

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    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 financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in **Annexure B** wherein we have expressed an unmodified opinion; and

    g) 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 as at 31 March 2023;

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 21(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 21(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023; and

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 23508835BGXHYC8162

Place: Mumbai
Date: 30 May 2023

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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Arshiya Northern Projects Private Limited on the financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

(i) The Company does not have any property, plant and equipment, intangible assets, right of use assets or investment property and accordingly, reporting under clause 3(i) of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, 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 deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.



Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Arshiya Northern Projects Private Limited on the financial statements for the year ended 31 March 2023

(ix) (a) According to the information and explanations given to us, interest free loan amounting to INR 15.04 lakhs is repayable on demand. Further, such loan has not been demanded for repayment as on balance sheet date.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by its lender.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143 (12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) The Company has not entered into any transactions with the related parties covered under Section 188 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act. Accordingly, reporting under clause 3(xiii) of the Order is not applicable to the Company.



Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Arshiya Northern Projects Private Limited on the financial statements for the year ended 31 March 2023

(xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to INR 2.24 lakhs and INR 4.36 lakhs respectively.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.



Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Arshiya Northern Projects Private Limited on the financial statements for the year ended 31 March 2023

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.: 508835

UDIN: **23508835BGXHYC8162**

Place: Mumbai
Date: 30 May 2023

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Annexure B to the Independent Auditor's Report of even date to the members of Arshiya Northern Projects Private Limited on the financial statements for the year ended 31 March 2023

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Arshiya Northern Projects Private Limited** ('the Company') as at and for the year ended **31 March 2023**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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.

WALKER CHANDIOK & Co LLP * MUMBAI * CHARTERED ACCOUNTANTS

Annexure B to the Independent Auditor's Report of even date to the members of Arshiya Northern Projects Private Limited on the financial statements for the year ended 31 March 2023

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.: 508835

UDIN: **23508835BGXHYC8162**

Place: Mumbai
Date: 30 May 2023

ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
(A) Current Assets			
Financial Assets			
Cash and cash equivalents	4	0.39	0.53
Total Current Assets		**0.39**	**0.53**
TOTAL ASSETS		**0.39**	**0.53**
EQUITY AND LIABILITIES			
(A) Equity			
(a) Equity Share capital	5	5.00	5.00
(b) Other Equity	6	(24.05)	(21.81)
Total Equity		**(19.05)**	**(16.81)**
(B) Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	7	15.04	-
(ii) Trade Payables due to	8		
Micro enterprises and small enterprises		-	-
Other than micro enterprises and small enterprises		1.15	-
Total Non Current Liabilities		**16.19**	**-**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	7	-	12.79
(ii) Trade Payables due to	8		
Micro enterprises and small enterprises		-	-
Other than micro enterprises and small enterprises		3.05	4.40
(b) Other Current Liabilities	9	0.20	0.15
Total Current Liabilities		**3.25**	**17.34**
TOTAL EQUITY AND LIABILITIES		**0.39**	**0.53**

The accompanying notes forms an integral part of these financial statements

This is the Balance Sheet referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Arshiya Northern Projects Private Limited

Ashutosh Sharma
Director
DIN : 00679252
Place: Mumbai
Date: May 30, 2023

Navnit Choudhary
Director
DIN : 00613576
Place: Mumbai
Date: May 30, 2023

ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED ★ MUMBAI

ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
(I) INCOME			
Other income	10	0.40	-
(II) Total Income		**0.40**	**-**
(III) EXPENSES			
Other expenses	11	2.64	4.36
(IV) Total Expenses		**2.64**	**4.36**
(V) Loss before tax (I-IV)		**(2.24)**	**(4.36)**
(VI) Tax expense		-	-
(VII) Loss for the year		**(2.24)**	**(4.36)**
(VIII) Other Comprehensive income		-	-
Total Other Comprehensive income for the year		-	-
(IX) Total Comprehensive loss for the year		**(2.24)**	**(4.36)**
(X) Earnings per equity share (Face value per Equity share Rs.10) Basic and Diluted	12	(4.47)	(8.72)

The accompanying notes forms an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Arshiya Northern Projects Private Limited

Ashutosh Sharma
Director
DIN : 00679252
Place: Mumbai
Date: May 30, 2023

Navnit Choudhary
Director
DIN : 00613576
Place: Mumbai
Date: May 30, 2023

ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED ★ MUMBAI

ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A Equity Share Capital

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	5.00	5.00
Movement during the year	-	-
Closing Balance	**5.00**	**5.00**

B Other Equity

(Amount in INR Lakhs)

Particulars	Retained Earnings	Total
As at April 1, 2021	**(17.45)**	**(17.45)**
Loss for the year	(4.36)	**(4.36)**
Other comprehensive income for the year	-	**-**
As at March 31, 2022	**(21.81)**	**(21.81)**
Loss for the year	(2.24)	**(2.24)**
Other comprehensive income for the year	-	**-**
As at March 31, 2023	**(24.05)**	**(24.05)**

C Total Equity

(Amount in INR Lakhs)

Particulars	Total
As at March 31, 2022	(16.81)
As at March 31, 2023	(19.05)

The accompanying notes forms an integral part of these financial statements

This is the Statement of Changes in Equity referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on behalf of the Board of Directors of
Arshiya Northern Projects Private Limited

Ashutosh Sharma
Director
DIN : 00679252
Place: Mumbai
Date: May 30, 2023

Navnit Choudhary
Director
DIN : 00613576
Place: Mumbai
Date: May 30, 2023

ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED ★ MUMBAI

ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED TO MARCH 31, 2023

(Amount in INR Lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before Tax	(2.24)	(4.36)
Adjustments for:		
Excess Provision Written Back	(0.40)	-
Operating loss before working capital changes	**(2.64)**	**(4.36)**
Movement in working capital:		
Decrease in trade payables	0.20	(0.23)
Decrease in other current liabilities	0.05	(0.23)
Net cash generated from / (used in) operating activities (A)	**(2.39)**	**(4.82)**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Loan repaid from fellow subsidiary	-	-
Net cash generated from investing activities (B)	**-**	**-**
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	2.25	5.00
Net cash generated from / (used in) financing activities (C)	**2.25**	**5.00**
Net increase in cash and cash equivalents (A+B+C)	(0.14)	0.18
Cash and Cash Equivalents at the beginning of the financial	0.53	0.35
Cash and cash equivalents at the end of the year ended	**0.39**	**0.53**

Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by IND AS 7 "Statement of Cash Flow" are as under:

(Amount in INR Lakhs)

Particulars	Equity Share Capital	Borrowings
April 1, 2021	**5.00**	**7.79**
Cash inflow	-	5.00
March 31, 2022	**5.00**	**12.79**
Cash inflow	-	2.25
March 31, 2023	**5.00**	**15.04**

The accompanying notes forms an integral part of these financial statements

This is the Statement of Cash Flow referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors
Arshiya Northern Projects Private Limited

Ashutosh Sharma
Director
DIN : 00679252
Place: Mumbai
Date: May 30, 2023

Navnit Choudhary
Director
DIN : 00613576
Place: Mumbai
Date: May 30, 2023

ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate Information

Arshiya Northern Projects Private Limited (the Company) is a unified supply chain and integrated logistics infrastructure solution provider and is engaged in the business of Free Trade and Warehousing Zone (FTWZ) along with development, operations and maintenance of FTWZ.

These statements comprise financial statements of Arshiya Northern Projects Private Limited ('the company') (CIN: U74999MH2018PTC316334) for the year ended March 31, 2022. The Company is a private limited Company domiciled in India and is incorporated on October 25, 2018 under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 205 & 206 (Part), 2nd Floor, Ceejay House, F-Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

Arshiya Northern Projects Private Limited is a subsidiary of Arshiya Limited (AL), a Company listed on Bombay Stock Exchange and National Stock Exchange.

Arshiya Northern Projects Private Limited has attained the status of a Co-developer under the Special Economic Zones Act, 2005.

The financial statements were authorised for issue in accordance with a resolution of Board of directors on May 30, 2023.

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 to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 ('the Act'), other relevant provisions of the Act, and the presentation and disclosures requirement of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable.

The financial statements have been prepared on a historical cost convention and on accrual basis, except for certain financial assets and liabilities (including derivative instruments) and defined benefit plan liabilities being measured at fair value or amortised cost.

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) 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 from services

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable considerations, if any, as specified in the contracts with the customers. Revenue excludes trade discounts and 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.

Revenue from contract with customers

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.

(c) 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. 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 Statement of 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.

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(d) 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 (unless it is a trade receivable without a significant financing component) 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. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and Subsequent Measurement: Financial Assets

(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

(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.

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.

(e) 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.

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(f) 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. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(g) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenure of such borrowings. All other borrowing costs are charged to the statement of profit and loss as finance costs. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs under Ind AS 23.

(h) 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.

(i) 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.

(j) 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.

(k) 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

(l) 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.

(m) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to Lakhs in two decimals as per the requirement of Schedule III, unless otherwise stated.

(s) Unforeseeable losses

The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts (including derivative contracts) for which there were any material foreseeable losses.

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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, provisions and contingent liabilities and fair value measurement.

(i) Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Company reviews carrying value of its investments when there is indication for impairment.

(ii) 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.

(iii) 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.

(iv) Recent accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023

- **Ind AS 1 – Preparation of Financial Statements** – The Companies should now disclose "Material Accounting Policies" rather than "Significant Accounting Policies". Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.
- **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** – "Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:
  (a) Selection of a measurement technique (estimation or valuation technique)
  (b) Selecting the inputs to be used when applying the chosen measurement technique"
- **Ind AS 12 – Income Taxes** – Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Based on preliminary assessment, the Company does not expect the above amendments to have any significant impact in its financial statements.

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ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

4. CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with bank in current account	0.39	0.53
Total	**0.39**	**0.53**

5. EQUITY SHARE CAPITAL

i. Authorised Share Capital (Amount in INR Lakhs)

Particulars	Equity Share of Rs.10 each	
	Number	Amount
As at March 31, 2023	50,000	5.00
As at March 31, 2022	50,000	5.00

50,000 (As At March 31, 2021: 50,000) Equity shares of Rs 10 each

ii. Issued, subscribed and paidup equity shares (Amount in INR Lakhs)

	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paidup		
Opening Balance	50,000	5.00
Issued during the period	-	-
As At March 31, 2022	**50,000**	**5.00**
Issued during the year	-	-
As At March 31, 2023	**50,000**	**5.00**

50,000 (As At March 31, 2021: 50,000) Equity shares of Rs 10 each

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, 2023	As at March 31, 2022
Arshiya Limited		
Equity shares	50,000	50,000
Percentage	100%	100%

v. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% Holding	Number	% Holding
Equity shares of INR 10 each fully paid				
Arshiya Limited	50,000	100.00%	50,000	100.00%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

6. OTHER EQUITY

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	(24.05)	(21.81)
	(24.05)	(21.81)

7. BORROWINGS

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Unsecured		
Loans from Parent Company (refer note below)	15.04	-
Total	15.04	-
Current		
Unsecured		
Loans from Parent Company (refer note below)	-	12.79
Total	-	12.79

Note:
Interest free loan availed from Parent Company are for working capital and general purpose, and is repayable on demand. The Parent Company has communicated to the Company about non-recall of this loan prior to April 01, 2024.

7.1. NET DEBT RECONCILIATION

(Amount in INR Lakhs)

An analysis of net debts and the movement in net debts for each of the reporting period as follows:	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents (A)	0.39	0.53
Borrowings (B)	15.04	12.79
Net debt (A) - (B)	(14.65)	(12.26)

Particulars	Cash and cash equivalents	Borrowings	Total
Net Debt as at March 31, 2021	**0.35**	**7.79**	**(7.44)**
Cash flow (net)	0.18	-	0.18
Proceeds from borrowings	-	5.00	(5.00)
Net Debt as at March 31, 2022	**0.53**	**12.79**	**(12.26)**
Cash flow (net)	(0.14)	-	(0.14)
Proceeds from borrowings	-	2.25	(2.25)
Net Debt as at March 31, 2023	**0.39**	**15.04**	**(14.65)**

8. TRADE PAYABLES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Total outstanding dues of Micro enterprises and Small enterprises	-	-
Total outstanding dues of creditors others than Micro enterprises and Small enterprises	1.15	-
Total	1.15	-
Current		
Total outstanding dues of Micro enterprises and Small enterprises	-	-
Total outstanding dues of creditors others than Micro enterprises and Small enterprises	3.05	4.40
Total	3.05	4.40

Note:
The Company has not received any communication from the suppliers regarding their status under the Micro and Small Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

(Amount in INR lakhs)

As at 31 March 2023	Outstanding from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	-	-	-	-	-
(ii) Undisputed dues - Others*	2.04	2.16	-	-	-	4.20
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	2.04	2.16	-	-	-	4.20

***Unbilled Trade payables for March 31, 2023 is INR 2.04 lakhs**

(Amount in INR lakhs)

As at 31 March 2022	Outstanding from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	-	-	-	-	-	-
(ii) Undisputed dues - Others*	2.79	1.56	-	0.05	-	4.40
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	2.79	1.56	-	0.05	-	4.40

***Unbilled Trade payables for March 31, 2022 is INR 2.79 lakhs**

9. OTHER CURRENT LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities (Tax dedcuted at sources)	0.20	0.15
Total	0.20	0.15

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ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

10. OTHER INCOME

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Excess Provision Written Back	0.40	-
Total	**0.40**	**-**

11. OTHER EXPENSES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rates and taxes	0.02	0.10
Legal and professional fees	0.27	1.13
Payment to Auditors (refer note below)	2.00	2.75
Miscellaneous expenses	0.35	0.39
Total	**2.64**	**4.36**

Note : Payments to Auditors (excluding GST)

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Audit Fees	2.00	2.75
Total	**2.00**	**2.75**

12. EARNINGS PER EQUITY SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loss after tax (Rupees in Lakhs) (A)	(2.24)	(4.36)
Number of equity shares Weighted average number of equity shares outstanding (Basic and Diluted) (B)	50,000	50,000
Basic & Diluted earnings per share(A/B) (Rupees) Nominal Value of an equity share (Rupees)	(4.47)	(8.72)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

13. CONTINGENT LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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 FTWZ on behalf of customers.

14. RELATED PARTY TRANSACTIONS

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

Name of Related Parties	Nature of Relationship
Arshiya Limited	Parent Company

(ii) Key managerial personnel

Mr. Navnit Choudhary - Director
Mr. Ashutosh Sharma - Director
Mr. Sarvothama Neelayya Shetty - Director

Note : The KMP's are Directors / Promotors / Employees of the Parent Company. No remuneration has been paid to them by the Company for their services rendered to the Company.

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

(Amount in INR Lakhs)

Name	Nature of Transactions	As at March 31, 2023	As at March 31, 2022
Arshiya Limited	Loan received	2.25	5.00
	Reimbursement of Expenses	0.48	0.67

(iii) Outstanding balances at the end of the year

(Amount in INR Lakhs)

Name	Nature of Relationship	As at March 31, 2023 *	As at March 31, 2022
Loan from Parent Company Arshiya Limited	Parent Company	15.04	12.79
Trade Payable Arshiya Limited	Parent Company	1.15	0.67

* The Company is in receipt of letter from Arshiya Limited with respect to deferment of payment of above liabilities up to April 01, 2024.

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ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

15. KEY FINANCIAL RATIOS (to the extent applicable)

Sr. No.	Particulars	2022-23	2021-22	% Changes	Reason for deviation more than 25%
1	Current Ratio (In times)	0.12	0.03	294.34%	Increased due to decreased in current liabilties.
2	Debt- Equity Ratio (In times)	(0.79)	(0.76)	3.73%	-
3	Return on equity Ratio (%)	-12%	-30%	58.16%	Increased due to decreased in losses in current year.
4	Trade payable turnover Ratio (In times)	0.61	0.97	-36.53%	Decreased due to payment of trade payables.
5	Return on Capital Employed (%)	-78%	-109%	27.98%	Increased due to decreased in losses in current year.

15.1 Formula for computation of ratios are as follows:

Sr. No.	Ratios	Numerator	Denominator
1	Current Ratio	Current assets	Current liabilities
2	Debt- Equity Ratio	Total Debt	Total Equity
3	Return on equity Ratio (%)	Profit after Tax	Average Total Equity [(Opening Equity Share capital + Opening Other equity + Closing Equity Share Capital + Closing Other Equity)/2
4	Trade payable turnover Ratio	Cost of Services & Other Expenses	Average trade payables (Opening balance + closing balance) /2
5	Return on Capital Employed (%)	Earning before interest and taxes	Capital employed [Total assets - Current liabilities + Current borrowings]

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ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED ★ MUMBAI

16. SEGMENT REPORTING

There is no separate reportable segments (business/ geographical), as per requirement of Ind AS 108 "Operating Segment".

17. 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 As at March 31, 2023	Fair Value As at March 31, 2023	Carrying Amount As at March 31, 2022	Fair Value As at March 31, 2022
FINANCIAL ASSETS				
Amortised cost				
Cash and cash equivalents	0.39	0.39	0.53	0.53
Total	**0.39**	**0.39**	**0.53**	**0.53**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	-	-	12.79	12.79
Trade Payable	3.05	3.05	4.40	4.40
Total	**18.09**	**18.09**	**32.24**	**32.24**

The management have assessed that the fair value of loans, Cash and cash equivalents, borrowings and trade payables approximate their carrying amounts largely due to the short term maturities of these instruments.

18. 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 did not have any operations during the year and accordingly, there is no Credit risk.

(b) 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. The contractual maturity of financial liabilities is as under:

Particulars	Borrowings	Trade Payables	Total
March 31, 2023			
Repayable on demand	-	-	-
Less than 1 year	-	3.05	3.05
Between 1 and 5 years	15.04	1.15	16.19
Beyond 5 years	-	-	-
Total	**15.04**	**4.20**	**19.24**
March 31, 2022			
Repayable on demand	-	-	-
Less than 1 year	12.79	4.35	17.14
Between 1 and 5 years	-	0.06	0.06
Beyond 5 years	-	-	-
Total	**12.79**	**4.41**	**17.20**

19. 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.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The amount managed as capital by the Company are summarised as follows:

(Amount in INR Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings	15.04	12.79
Less: Cash and cash equivalents	0.39	0.53
Net debt	**14.65**	**12.26**
Total equity	(19.05)	(16.81)
Capital Gearing Ratio	**(0.77)**	**(0.73)**

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ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED ★ MUMBAI

ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

20. INCOME TAX AND DEFERRED TAX

In view of loss for the year, no provision for current tax has been made.

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 adjusted against the available tax losses.

21. OTHER STATUTORY INFORMATION

(a) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
☐

(b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
☐

(c) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
☐

(d) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(e) Transactions and balances with companies which have been removed from register of Companies [struck off companies] as at the above reporting periods is Nil.

(f) The Company has not traded / invested in Crypto currency.☐

(g) There are no properties / assets which are not held or registered in the name of the company i.e. benami property.

22. The Company has plan to acquire the long-term leasehold rights in the specific Warehouse no 54 "Property" (WH-54) from the Arshiya Northern FTWZ Ltd (ANFL). The Transaction under discussion for WH-54, Modern Grade-A warehouse with a total leasable area of approximately 191,582 square feet. The Company shall acquire long-term leasehold rights in the Property. Ascendas Property Fund India (APFI) will fund the company for buying said warehouse at pre-agreed price consideration of Rs 10,600 Lakhs for pre-lease WH-54 as per pre-agreed terms under Transaction Documents. As per transaction post that APFI shall purchase 100.0% equity shares in the Company subject to completion of certain conditions precedent stipulated in Share Purchase Agreement dated March 11, 2020. The Company will pay its liabilities from expected consideration to be received from APFI.
Currently, ANFL is providing storage and value-added services such as packing, labelling, tagging etc. to Reputed Clients and expected to complete the aforesaid monetisation before March 31, 2024. As we are aware that the whole world had faced a Global Pandemic of Covid-19 due to which certain restrictions within the nations have caused a significant delay in monetization of warehouses though regulerisation of these restrictions has been started. So monetization process would be concluded before March 31, 2024.
Further, for oustanding borrowings and trade payables as at 31 March 2023, Company has also received deferment letter (for a period of 12 months) from Arshiya Limited.
In view of above considering gross value of future monetization value which is around 10,600 Lakhs and receipt of deferment letter, management of the company have prepared accounts on going concern basis.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No:508835
Place: Mumbai
Date: May 30, 2023

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Arshiya Northern Projects Private Limited

Ashutosh Sharma
Director
DIN : 00679252
Place: Mumbai
Date: May 30, 2023

Navnit Choudhary
Director
DIN : 00613576
Place: Mumbai
Date: May 30, 2023

ARSHIYA NORTHERN PROJECTS PRIVATE LIMITED ★ MUMBAI

INDEPENDENT AUDITORS' REPORT

To the Members of
Arshiya Panvel FTWZ Services Private Limited
Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Arshiya Panvel FTWZ Services Private Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended March 31, 2023, 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, 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 2023, 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 Opinion

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.

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

   b. 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;

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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. 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, 2023 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**;

g. In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year hence the provisions of section 197 of the Act is not applicable.

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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and as represented by management :

i. The Company does not have pending litigations which would impact 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.

iv. (a) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of

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the Ultimate Beneficiaries;

(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 23109859BGXRTX1937

Place: Mumbai
Date: 29th May 2023

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Continuation sheet...

"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 Panvel FTWZ Services Private Limited on the financial statements for the year ended 31st March 2023)

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of right of use (ROU) assets on the basis of available information.

(B) The Company does not have intangible assets, therefore the provisions of Clause 3 (i) (a) (B) of the Order is not applicable to the Company.

(b) As explained to us, right of use (ROU) assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and the records examined by us, the Company have immovable property where the Company is the lessee and the lease agreement is duly executed in the favour of the Company, therefore the provisions of Clause 3 (i)(c) of the Order is not applicable to the Company.

(d) According to information and explanations given to us and books of accounts and records examined by us, the Company has not revalued its Property, Plant and Equipment during the year. Therefore the provisions of Clause 3(i)(d) of the Order is not applicable to the Company.

(e) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) The nature of business of the Company does not require any inventory during the year therefore the provisions of Clause 3 (ii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, at any point of the year, the Company has not been sanctioned any working capital facility from bank or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) During the year the Company has not made investments in, provided any guarantee or security or granted any loans or advance in the nature of loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or any other parties. Therefore, the provisions of Clause 3 (iii) (a), (b), (c), (d), (e), (f) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has not made any made investments or loan, given any guarantee or security to the parties covered under section 186 of the Act.

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Continuation sheet...

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause 3 (v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and according to the information and explanations provided to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.

(vii) (a) According to the records of the company and information and explanations given to us, the Company is not regular, in depositing undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess and any other material statutory dues to the appropriate authorities, as applicable, during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub clause (a) which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and representation given to us by the management, there are no such transactions that recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Therefore the Provisions of Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or other borrowings to any lender. The borrowing from parent company is interest free.

(b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion, and according to the information and explanations given and records examined by us, the company has not raised any money by way of term loans, therefore the provisions of Clause 3(viii) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, prima facie, short-term funds available of Rs. 921.75 Lakh have been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does have any subsidiaries, associates or joint ventures, therefore the Provisions of Clause 3(ix)(e), (f) of the Order is not applicable to the Company.

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Continuation sheet...

(x) (a) According to the information and explanations given to us, the Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore the Provisions of Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore the Provisions of Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by management, no fraud by the company or on the company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by auditor in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) The Company is not required to have Whistle Blower Mechanism under applicable rules and regulations. As represented to us by the management, there are no whistle blower complaints received by the company during the year.

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

(xiii) The requirement of section 177 of the companies Act, is not applicable to the company. The Company has entered into transactions with related parties in compliance with the provisions of sections 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) As per section 138 of the Companies Act, 2013, the Company does not have to appoint an internal auditor, therefore, the provisions of Clause 3(xiv) of the Order is 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 as referred to in Section 192 of the Act. Therefore, the provisions of Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.
(b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

(c) In our opinion, and according to the information and explanations provided to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

(d) In our opinion, and according to the information and explanations provided to us, the Group has no Core Investment Company (CIC) as part of the group.

(xvii) In our opinion, and according to the information and explanations provided to us, Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Therefore, provisions of clause (xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, financial support provided by the ultimate holding company, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, provisions of section 135 are not applicable to the Company. Therefore, provisions of clause (xx) of the Order are not applicable to the Company.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 23109859BGXRTX1937

Place: Mumbai
Date: 29th May 2023

CHATURVEDI & SHAH LLP * CHARTERED ACCOUNTANTS * MUMBAI

Continuation sheet...

"Annexure B" to the Independent Auditor's Report

Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Panvel FTWZ Services Private Limited on the financial statements for the year ended 31st March 2023.

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

We have audited the internal financial controls with reference to financial statements of **Arshiya Panvel FTWZ Services Private Limited** ("the Company") as of 31st March, 2023 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements , including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, 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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 23109859BGXRTX1937
Place: Mumbai
Date: 29th May 2023

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

Continuation sheet...

ARSHIYA PANVEL FTWZ SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non Current assets			
(a) Right of use assets	4	8,781.92	10,539.27
(b) Financial Assets			
Other Financial Assets	5	99.44	151.51
(c) Other Non-Current Assets	6	42.95	40.60
Total Non-Current Assets		**8,924.31**	**10,731.38**
Current assets			
(a) Financial Assets			
(i) Trade Receivables	7	1,520.06	21.84
(ii) Cash and Cash Equivalents	8	263.29	50.52
(iii) Other Financial Assets	9	52.70	422.29
(b) Other Current Assets	10	0.10	917.85
Total Current Assets		**1,836.15**	**1,412.50**
TOTAL ASSETS		**10,760.46**	**12,143.88**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	1.00	1.00
(b) Other Equity	12	753.01	750.45
Total Equity		**754.01**	**751.45**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
Lease Liabilities	13	7,243.58	8,181.69
(b) Provisions	14	4.97	-
Total Non-Current Liabilities		**7,248.55**	**8,181.69**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	798.98	942.56
(ii) Lease Liabilities	16	1,774.06	1,752.03
(iii) Trade Payables	17		
Micro and Small Enterprises		7.54	-
Others		137.13	504.42
(iii) Other Financial Liabilities	18	15.88	-
(b) Other Current Liabilities	19	22.92	11.73
(c) Provisions	20	1.39	-
Total Current Liabilities		**2,757.90**	**3,210.74**
TOTAL EQUITY AND LIABILITIES		**10,760.46**	**12,143.88**

See accompanying notes 1-43 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP * CHARTERED ACCOUNTANTS * MUMBAI

For and on behalf of the Board of Directors
Arshiya Panvel FTWZ Services Private Limited

Sarvothama Shetty
Director
DIN : 08171762

Ashutosh Sharma
Director
DIN : 00679252

Arshiya Panvel FTWZ Services Private Limited * Mumbai

ARSHIYA PANVEL FTWZ SERVICES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
(I) Income			
(a) Revenue from operations	21	3,182.46	555.15
(b) Other income	22	71.05	0.34
(II) Total Income (a)+(b)		**3,253.51**	**555.49**
(III) Expenses			
(a) Warehousing and Material handling costs	23	74.77	-
(b) Business conducting fees	24	299.23	511.25
(c) Employee benefits expense	25	20.79	-
(d) Finance costs	26	1,045.79	16.50
(e) Depreciation expense	27	1,757.35	19.26
(f) Other expenses	28	52.55	3.33
(IV) Total expenses (a) to (d)		**3,250.48**	**550.34**
(V) Profit before tax (II-IV)		**3.03**	**5.15**
(VI) Tax expense:	38		
Current tax		0.47	0.77
Deferred tax		-	-
Profit for the year		**2.56**	**4.38**
Other Comprehensive Income (OCI)			
Item not to be reclassified to profit and loss		-	-
Total Comprehensive Income for the year		**2.56**	**4.38**
(VII) Earnings per equity share (Face Value Rupees 10 each)			
Basic and Diluted	29	25.60	43.80

See accompanying notes 1-43 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on behalf of the Board of Directors
Arshiya Panvel FTWZ Services Private Limited

Sarvothama Shetty
Director
DIN : 08171762

Ashutosh Sharma
Director
DIN : 00679252

Arshiya Panvel FTWZ Services Private Limited ★ Mumbai

ARSHIYA PANVEL FTWZ SERVICES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before Tax	**3.03**	**5.15**
Adjustments for:		
Depreciation expense	1,757.35	19.26
Finance costs	1,045.79	16.50
Interest on security deposits carried at amortised cost	(1.24)	-
Financial assets carried at amortised cost	(65.03)	(0.34)
Foreign exchange differences (Net)	(4.78)	0.06
Operating Profit /(loss) before working capital changes	**2,735.12**	**40.63**
Changes in working capital:		
(Increase) in trade receivables	(1,493.44)	(21.90)
Decrease/(Increase) in other current assets	1,278.36	(1,277.82)
(Decrease)/Increase in trade payables	(359.75)	504.17
Increase in other current liabilities	32.49	11.73
Cash generated from / (used in) operations	**2,192.78**	**(743.19)**
Taxes paid (net of refunds)	(2.82)	(41.37)
Net cash generated from / (used in) operating activities (A)	**2,189.96**	**(784.56)**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Stamp duty paid on right of use assets	-	(92.93)
Net cash flow used in investing activities (B)	**-**	**(92.93)**
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of /Proceed from short term borrowings (net)	(143.58)	942.56
Lease liability paid	(1,833.61)	(15.06)
Net cash (used in) / generated from financing activities (C)	**(1,977.19)**	**927.50**
Net increase in cash and cash equivalents **(A+B+C)**	212.77	50.01
Cash and Cash Equivalents at the beginning of the financial year	50.52	0.51
Cash and cash equivalents at the end of the year (Refer Note No. 8)	**263.29**	**50.52**

Change in liabilities arises from financing activities

Particulars	Current Borrowings
As at April 01, 2022	942.56
Less: Cash flow (net)	(143.58)
As at 31st March, 2023	**798.98**

Notes:

1. Bracket indicates cash outflow.
2. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flow.

See accompanying notes 1-43 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Panvel FTWZ Services Private Limited

Sarvothama Shetty
Director
DIN : 08171762

Ashutosh Sharma
Director
DIN : 00679252

Arshiya Panvel FTWZ Services Private Limited Mumbai

ARSHIYA PANVEL FTWZ SERVICES PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A Equity Share Capital

Particulars	(Rupees in Lakhs)
As at March 31, 2022	1.00
As at March 31, 2023	1.00

B Other Equity

(Rupees in Lakhs)

Particulars	Retained Earnings	Deemed Capital Contribution	Total
As at March 31, 2021	**(0.71)**	**-**	**(0.71)**
Profit for the year	4.38	-	**4.38**
Other comprehensive income	-	-	**-**
Fair value difference of security deposits placed by the Parent on behalf of the Company	-	527.43	**527.43**
Fair value of financial guarantee provided by the Parent on behalf of the Company	-	219.35	**219.35**
As at March 31, 2022	**3.67**	**746.78**	**750.45**
Profit for the year	2.56	-	**2.56**
Other comprehensive income	-	-	**-**
As at March 31, 2023	**6.23**	**746.78**	**753.01**

C Total Equity **(Rupees in Lakhs)**

Particulars	Total
As at March 31, 2022	751.45
As at March 31, 2023	754.01

See accompanying notes 1-43 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Panvel FTWZ Services Private Limited

Sarvothama Shetty
Director
DIN : 08171762

Ashutosh Sharma
Director
DIN : 00679252

Arshiya Panvel FTWZ Services Private Limited ★ Mumbai

ARSHIYA PANVEL FTWZ SERVICES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate Information

ARSHIYA PANVEL FTWZ SERVICES PRIVATE LIMITED 'the Company' (CIN No.: U74999MH2019PTC322030), was incorporated on February 28, 2019 is engaged in the business of Free Trade and Warehousing Zone (FTWZ) and services along with development, operations and maintenance of FTWZ and unified supply chain and integrated logistics infrastructure solution provider. The registered office of the Company is located at 205 & 206 (part), 2nd Floor, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai City Maharashtra 400018. The Company is a Co-developer under the Special Economic Zones Act, 2005.

The financial statements of the Company for the year ended March 31, 2023 were approved and adopted by board of directors in their meeting held on May 29, 2023.

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) 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, except for certain financial assets and liabilities which are measured at fair value.

2.2 Summary of significant accounting policies

(a) 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.

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.

(b) 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.

(c) Revenue recognition

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

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring 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.

Revenue from contracts with customers includes warehousing storage income, handling and other services. Revenue from rendering of services is recognised on an accrual basis as per the agreed terms.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as a part of contract.

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Arshiya Panvel FTWZ Services Private Limited * Mumbai

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.

(d) Leases

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

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

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

(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.

(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.

(f) 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. However, trade receivables that do not contain a significant financing component are measured at transactions price.

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Arshiya Panvel FTWZ Services Private Limited ★ Mumbai

(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.

(ii) Financial assets - Subsequent measurement:

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

(iii) 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.

(iv) 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.

(g) 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.

(h) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of financial instruments, or where appropriate, a shorter period.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

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Arshiya Panvel FTWZ Services Private Limited ★ Mumbai

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and cash 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.

(r) 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.

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(s) 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.

(i) Defined Contribution Plan

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

(ii) 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.

(t) 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.

(u) 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 right of use assets, impairment of financial assets and non-financial assets, provisions and contingent liabilities and fair value measurement.

3.1 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 which is 10.25%.

3.2 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.

3.3 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.

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3.4 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.

3.5 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.

3.6 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.

3A Recent Accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 01, 2023.

- Ind AS 101 – First time adoption of Ind AS
- Ind AS 102 – Share based Payment
- Ind AS 103 – Business Combination
- Ind AS 107 – Financial Instruments Disclosures
- Ind AS 109 – Financial Instrument
- Ind AS 115 – Revenue from Contracts with Customers
- Ind AS 1 – Presentation of Financial Statements
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12 – Income Taxes
- Ind AS 34 – Interim Financial Reporting

The Company does not expect the consequential amendments to have any significant impact in its financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

4. RIGHT TO USE ASSETS

(Rupees in Lakhs)

Particulars	Buildings
AT COST	
Balance as at March 31, 2021	-
Additions during the year	10,558.53
Modifications during the year	-
Balance as at March 31, 2022	**10,558.53**
Additions during the year	-
Modifications during the year	-
Balance as at March 31, 2023	**10,558.53**
ACCUMULATED DEPRECIATION	
Balance as at March 31, 2021	-
Depreciation for the year	19.26
Balance as at March 31, 2022	**19.26**
Depreciation for the year	1,757.35
Modifications during the year	-
Balance as at March 31, 2023	**1,776.61**
Net Carrying value as at March 31, 2022	**10,539.27**
Net Carrying value as at March 31, 2023	**8,781.92**

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5. OTHER FINANCIAL ASSETS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Security deposits placed with sub-lessor (Refer note no.32(iv) and 40)	606.98	541.94
Less: Amount retained by sub-lessor from upfront lease payment payable to the ulimate parent company	(606.98)	(541.94)
	-	-
Financial guarantee rights (Refer note no. 32 (v))	98.81	151.51
Interest receivables	0.63	-
Total	**99.44**	**151.51**

6. OTHER NON CURRENT ASSETS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
TDS Receivables/Taxes paid	42.95	40.60
Total	**42.95**	**40.60**

7. TRADE RECEIVABLES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Secured, considered good	-	-
Unsecured, considered good (Refer note no. 32)	1,520.06	21.84
Trade Receivables which have significant increase in credit risk	-	-
	1,520.06	**21.84**
Less: Allowance for doubtful debts (expected credit loss allowance)	-	-
Total	**1,520.06**	**21.84**

Trade Receivable ageing schedule:
Outstanding for followings from due date of payment

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Undisputed Unsecured, considered good		
Not due	313.33	12.53
Less than 6 months	1,206.73	9.31
6 month to 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Disputed Trade Receivables	-	-
	1,520.06	**21.84**

8. CASH AND CASH EQUIVALENTS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks in current accounts (refer below note)	263.29	50.52
Total	**263.29**	**50.52**

Note:
Cash and cash equivalents as at March 31, 2023 Rs. 261.10 Lakhs (March 31, 2022: Rs. 50.00 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 Anoamlous Infra Private Limited.

9. OTHER FINANCIAL ASSETS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Security deposits placed with sub-lessor (Refer note No.32(iv) and 40)	708.35	1,489.08
Less: Amount retained by sub-lessor from upfront lease payment payable to the ulimate parent company	(708.35)	(1,489.08)
	-	-
Unbilled Revenue	-	360.00
Financial guarantee rights	52.70	62.29
Total	**52.70**	**422.29**

10. OTHER CURRENT ASSETS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Advance lease rent	-	917.85
Advance to supplier	0.10	-
Total	**0.10**	**917.85**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

11. EQUITY SHARE CAPITAL

i. Authorised Share Capital

Particulars	Number	(Rupees in Lakhs)
Equity Shares of Rupees 10 each		
As at March 31, 2022	10,000	1.00
As at March 31, 2023	10,000	1.00

Terms/rights attached to equity shares

The Company has only one class of shares, namely, 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.

ii. Issued subscribed and paid up equity shares

Particulars	Number	(Rupees in Lakhs)
Equity shares of Rupees 10 each issued, subscribed and fully paidup		
As at March 31, 2022	10,000	1.00
As at March 31, 2023	10,000	1.00

iii. Rights, Preferences and restrictions attached to equity shares

The Company has only one class of shares, namely, 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.

iv. Shares held by Holding Company

Out of equity shares issued by the Company, shares held by its Holding Company are as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Arshiya Lifestyle Limited		
No. of Equity shares	10,000	10,000
Percentage Holding	100%	100%

v. Shareholding of Promoters

Promoter Name	As at March 31, 2023	As at March 31, 2022	% Change during the year
Arshiya Lifestyle Limited			
No. of Equity shares	10,000	10,000	-
Percentage Holding	100%	100%	-

vi. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% Holding	Number	% Holding
Arshiya Lifestyle Limited	9,900	100%	9,900	100%
Shares held with jointly shareholder	100		100	

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12. OTHER EQUITY

Reserves and Surplus (Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Retained Earnings	6.23	3.67
(b) Deemed Capital Contribution	746.78	746.78
Total	**753.01**	**750.45**

(a) Retained Earnings (Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	3.67	(0.71)
Profit / (Loss) for the year	2.56	4.38
Other Comprehensive Income (OCI)	-	-
Closing balance	**6.23**	**3.67**

(b) Deemed Capital Contribution (Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	746.78	-
During the year	-	746.78
Closing balance	**746.78**	**746.78**

Nature & purpose of reserves

(a) Retained Earnings:
Retained earnings are the Profits / (losses) of the Company earned till date net of appropriations.

(b) Deemed Capital Contribution
Deemed Capital contribution comprises notional interest on security deposits received by Anoamlous Infra Private Limited (the Sub-lessor) out of amount payable to Arshiya Limited and Financial guarantee issued by Arshiya Limited to the Sub-lessor accounted at fair value.

13. LEASE LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Lease Liabilities (Refer note No. 31)	7,243.58	8,181.69
Total	**7,243.58**	**8,181.69**

14. PROVISIONS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Provision for employee benefits (Refer Note No. 30)		
Gratuity	3.99	-
Leave encashment	0.98	-
Total	**4.97**	**-**

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15. BORROWINGS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Borrowings		
Loan from Related Party* (Refer Note 32)	798.98	942.56
Total	**798.98**	**942.56**

Note:
*Inter corporate unsecured loan (Arshiya Limited - Ultimate Holding Company) is interest free and payable on end of tenure.

16. LEASE LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Lease Liabilities (Refer note No. 31)	1,774.06	1,752.03
Total	**1,774.06**	**1,752.03**

17. TRADE PAYABLES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Micro and Small Enterprises (Refer note below A)	7.54	-
Others	137.13	504.42
Total	**144.67**	**504.42**

Notes:

A) DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT,2006

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers under MSMED Act, 2006	7.54	-
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.

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(B) Trade payable ageing schedule:

Outstanding for followings from due date of payment

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Micro and Small Enterprises		
Not Due	7.54	-
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Micro and Small Enterprises	**7.54**	**-**
Other than micro enterprises and small enterprises		
Not Due	136.49	504.12
Less than 1 year	0.64	0.30
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Other than micro enterprises and small enterprises	**137.13**	**504.42**
Disputed		
Micro and Small Enterprises	-	-
Other than micro enterprises and small enterprises	-	-

18. OTHER FINANCIAL LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Security Deposits from customers	10.00	-
Employees dues	5.88	-
Total	**15.88**	**-**

19. OTHER CURRENT LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues (refer below note)	22.02	11.73
Interest on Statutory Liabilities	0.90	-
Total	**22.92**	**11.73**

Note:
Statutory dues includes Tax Ddeducted at Source (TDS), Provident Fund, Profession Tax.

20. PROVISIONS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Provision for employee benefits (Refer Note No. 30)		
Gratuity	1.09	-
Leave encashment	0.30	-
Total	**1.39**	**-**

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21. REVENUE FROM OPERATIONS

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services		
Warehousing services	2,931.77	519.57
Handling and other services	250.69	35.58
Total	**3,182.46**	**555.15**

22. OTHER INCOME

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on		
- Security deposit carried at amortised cost	1.24	-
- Financial assets carried at amortised cost (Refer note No. 40)	65.03	0.34
Net gain on foreign currency transactions and translation	4.78	-
Total	**71.05**	**0.34**

23. MATERIAL HANDLING COST

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Handling equipment hire charges	27.71	-
Labour Charges	21.60	-
Warehousing storage charges	25.46	-
Total	**74.77**	**-**

24. BUSINESS CONDUCTING FEES

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Business conducting fees (Refer note no. 39)	299.23	511.25
Total	**299.23**	**511.25**

25. EMPLOYEE BENEFITS EXPENSE

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	19.43	-
Contribution to provident and other funds	1.36	-
Total	**20.79**	**-**

26. FINANCE COSTS

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on unwinding deposit (Refer note no. 40)	65.03	0.34
Interest expenses on unwinding lease liabilities (Refer note no. 31)	917.53	10.61
Interest on Delayed Payment of Statutory Dues	0.94	-
Guarantee Commission expense (Refer note no. 32)	62.29	5.55
Total	**1,045.79**	**16.50**

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27. DEPRECIATION EXPENSE

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense on right of use of assets (Refer note no. 31)	1,757.35	19.26
Total	**1,757.35**	**19.26**

28. OTHER EXPENSES

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Electricity expenses	39.74	2.83
Insurance	9.36	-
Payments to Auditors (Refer note below)	2.00	0.30
Legal and professional fees	0.35	-
Rates and taxes	0.50	0.08
Net loss on foreign currency transactions and translation	-	0.06
Miscellaneous Expenses	0.60	0.06
Total	**52.55**	**3.33**

Note : Payments to Auditors

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As Auditor		
Audit Fees	2.00	0.30
Total	**2.00**	**0.30**

29. EARNINGS PER EQUITY SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit available to equity shareholders		
Profit / (Loss) after tax (A) (Rupees in Lakhs)	2.56	4.38
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)	10,000	10,000
Basic & Diluted earnings per share(A/B) (Rs.)	25.60	43.80
Nominal Value of an equity share (Rs.)	10.00	10.00

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30. EMPLOYEE BENEFITS

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

(a) Defined Contribution Plan:

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

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Employer's Contribution to Provident Fund	0.28	-
Employer's Contribution to Pension Scheme	0.64	-
Employer's Contribution to ESIC	-	-

(b) Brief descriptions of the plans

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

(c) Leave Encashment:

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Provision as at the end of the year	0.30	-
Non Current Provision as at the end of the year	0.98	-
Provision recognised in the Balance Sheet	**1.28**	**-**

(d) Defined benefit plan – Gratuity:

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.

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
I. Actuarial assumptions		
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult	
Discount rate	7.30%	
Expected return on plan assets	0.00%	
Salary Escalation Rate	5.00%	
Withdrawal Rate	20.00%	
Retirement Age	58 Years	
II. Change in Present value of defined benefit obligations		
Provision as at the beginning of the year	-	-
Interest cost	0.34	-
Current service cost	0.55	-
Past service cost	(0.45)	-
Liability transferred by group companies	4.64	-
Liability transferred to group companies	-	-
Benefits paid	-	-
Acquisition adjustments	-	-
Actuarial (gain)/loss on obligations	-	-
Provision as at the end of the year	5.08	-
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	-	-
Expected return on plan assets	-	-
Actual Enterprise's Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	-	-
IV. Actual return on plan assets		
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	-	-

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V. Provision recognised in the Balance Sheet		
Provision as at the end of the year	5.08	-
Fair value of plan assets as at the end of the year	-	-
Provision recognised in the Balance Sheet	5.08	-
VI. Amount recognised in the Statement of Profit and Loss		
Current service cost	0.55	-
Interest cost	0.34	-
Past service cost	(0.45)	-
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be on obligation	-	-
Expense recognised in Statement of Profit and Loss	0.44	-
VII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	-	-
Due to Change in demographic assumption	-	-
Due to Change in experience assumption	-	-
Expected return on plan assets	-	-
Total remeasurement recognised in OCI	-	-
VIII. Balance Sheet reconciliation		
Opening net provision	-	-
Expenses recognised in Profit & Loss	0.44	-
Actual Employer Contribution	-	-
Net transfer by group companies	4.64	-
Net transfer to group companies	-	-
Acquisition adjustments	-	-
Total Remeasurement recognised in OCI	-	-
Closing net provision	5.08	-

(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.

30.2 Sensitivity analysis:

(Rupees in Lakhs)

Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended 31st March, 2023		
Salary growth rate	+0.50%	5.19
	-0.50%	4.98
Discount rate	+0.50%	4.98
	-0.50%	5.19
For the year ended 31st March, 2022		
Salary growth rate	+0.50%	-
	-0.50%	-
Discount rate	+0.50%	-
	-0.50%	-

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

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

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

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

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

30.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 4 years (31st March, 2022 - Nil).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

31. LEASES

The Company has adopted Ind AS 116 "Leases" and applied it to all lease contracts to recognise right of use (ROU) assets at an amount equal to the lease liabilities.

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

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	As at March 31, 2022
Opening Balance	**10,539.27**	**-**
Additions during the year	-	**10,558.53**
Modifications during the year	-	**-**
Less: Depreciation charge for the year	(1,757.35)	(19.26)
Closing Balance	**8,781.92**	**10,539.27**

(ii) Movement of Lease liabilities

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	As at March 31, 2022
Opening Balance	**9,933.72**	**-**
Additions during the year	-	9,938.17
Modifications during the year	-	-
Add: Interest expenses on unwinding lease liabilities	917.53	10.61
Less: Payment of lease liabilities	(1,833.61)	(15.06)
Closing Balance	**9,017.64**	**9,933.72**

(ii) Maturity analysis of lease liabilities on undiscounted basis and breakup of lease liabilities included in the Balance Sheet

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Future Non-Cancellable minimum lease commitments		
Within one year	2,048.27	1,833.61
More than one year but not less than five years	9,416.98	8,951.70
More than five years	-	2,513.54
Total undiscounted lease liabilities	**11,465.25**	**13,298.85**
Lease liabilities included in the Balance sheet		
Current Lease liabilities	1,774.06	1,752.03
Non-current Lease liabilities	7,243.58	8,181.69
Total	**9,017.64**	**9,933.72**

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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	Ultimate Holding Company
Arshiya Lifestyle Limited	100% Holding Company
List of Related party and relationship, with whom transaction have taken place	
Arshiya Panvel Logistics Services Private Limited	Fellow Subsidiary
Laxmipati Balaji Supply Chain Management Limited	Enterprise owned or significantly influenced by key management personnel of Ultimate Holding Company or their relatives

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

(Rupees in Lakhs)

Name	Nature of Transactions	Year ended March 31, 2023	Year ended March 31, 2022
Arshiya Limited	Business conducting fees	299.23	511.25
Arshiya Limited	Corporate guarantee received	-	13,313.91
Arshiya Limited	Corporate guarantee reduced	1,833.61	15.06
Arshiya Panvel Logistics Services Private Limited	Warehousing and handling services income	2,780.96	468.52
Arshiya Limited	Proceed from Borrowings	45.00	3,632.53
Arshiya Limited	Repayment of Borrowings	188.58	131.86
Arshiya Limited	Interest expense on unwinding deposit	65.03	0.34
Arshiya Limited	Guarantee Commission expense	62.29	5.55
Arshiya Lifestyle Limited	Reimbursement of expenses	6.71	-
Laxmipati Balaji Supply Chain Management Limited	Electricity expense	39.74	2.83

Also see note 12(b) for deemed capital contribution from Arshiya Limited.

(iii) Outstanding balances

(Rupees in Lakhs)

Nature of Transactions	Related Party	As at March 31, 2023	As at March 31, 2022
Trade Receivables	Arshiya Panvel Logistics Services Private Limited	1,399.33	11.36
Trade Payables	Laxmipati Balaji Supply Chain Management Limited	0.92	-

(iv) Loans from related parties

(Rupees in Lakhs)

Name	Nature of Transactions	Year ended March 31, 2023	Year ended March 31, 2022
Loans from related parties			
Arshiya Limited	**Begining of the year**	**942.56**	**-**
	Loan received	45.00	143.02
	Amount retained by sub-lessor from upfront lease payment payable to the Arshiya Limited (Refer note No. 40)	1,777.39	3,489.52
	Less: Security deposits placed with sub-lessor # (Refer note No. 40)	(1,777.39)	(2,558.12)
	Loan repayment	(188.58)	(131.86)
	End of the year	**798.98**	**942.56**

During the year Rs. 780.73 Lakh (March 31, 2022 - Rs. 931.40 Lakh) has been adjusted against lease rental from sub-lessor.

(v) Corporate Guarantee

(Rupees in Lakhs)

Name	Nature of Transactions	Year ended March 31, 2023	Year ended March 31, 2022
Arshiya Limited	Beginning of the year	13,298.85	-
	Corporate guarantee given to	-	13,313.91
	Corporate guarantee reduced	(1,833.61)	(15.06)
	End of the year	**11,465.24**	**13,298.85**

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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 (FTWZ) and Special Economic Zone (SEZ)". 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.

33.1. Entity-wide disclosure required by IND AS 108 are made as follows:

(a) Revenue from external sales and services

(Rupees in Lakhs)

Geography	Year ended March 31, 2023	Year ended March 31, 2022
India	3,182.46	555.15
Outside India	-	-
Total	**3,182.46**	**555.15**

(b) Segment Assets
All assets are within India only.

33.2. Information about major customers:
Revenues from two customers aggregating to Rs. 3,153.79 Lakh (31st March, 2022 Rs. 5,34.75 Lakh) exceeds 10% or more.

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 (Rupees in Lakhs)

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	1,520.06	21.84	1,520.06	21.84
Cash and Cash Equivalents	263.29	50.52	263.29	50.52
Other Financial assets	152.14	573.80	152.14	573.80
Total	**1,935.49**	**646.16**	**1,935.49**	**646.16**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	798.98	942.56	798.98	942.56
Lease Liabilities	9,017.64	9,933.72	9,017.64	9,933.72
Trade Payables	144.67	504.42	144.67	504.42
Other financial liabilities	15.88	-	15.88	-
Total	**9,977.17**	**11,380.70**	**9,977.17**	**11,380.70**

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
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.

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(Rupees in Lakhs)

Financial assets for which loss allowances is measured using the expected credit loss	As at March 31, 2023	As at March 31, 2022
Current		
Secured, considered good	-	-
Unsecured, considered good	1,520.06	21.84
Trade Receivables which have significant increase in credit risk	-	-
	1,520.06	**21.84**
Less: Allowance for doubtful debts (expected credit loss allowance)	-	-
	1,520.06	**21.84**

(b) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The Company's objective is to, at all times; maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company limits its liquidity risk by ensuring regular monitoring of funds from trade and other receivables. The Company relies on assets light business model through monetization of assets and tie-up of construction funding and operating cash flows to meet its needs for funds.

Contractual maturities of financial liabilities (Rupees in Lakhs)

Particulars	less than 1 year	1 to 5 years	More than 5 year
March 31, 2023			
Financial liabilities			
Borrowings	798.98	-	-
Trade payables	144.67	-	-
Lease liabilities	2,048.27	9,416.98	-
Total	**2,991.92**	**9,416.98**	**-**
March 31, 2022			
Financial liabilities			
Borrowings	942.56	-	-
Trade payables	504.42	-	-
Lease liabilities	1,833.61	8,951.70	2,513.54
Total	**3,280.59**	**8,951.70**	**2,513.54**

(c) Foreign exchange risk

The Company's foreign exchange risk arises from its foreign currency revenues (primarily in US Dollar). 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

(Rupees in Lakhs)

Particulars	Foreign Currency amount		Equivalent amount in INR	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade receivables				
USD	1.47	0.14	120.72	10.47

(ii) Sensitivity analysis

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	As at March 31, 2023	As at March 31, 2022
FX rate - increase by 1% on closing rate of reporting date	1.21	0.10
FX rate - (decrease) by 1% on closing rate of reporting date	(1.21)	(0.10)

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 working 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

37. KEY FINANCIAL RATIOS

Particulars	As at March 31, 2023	As at March 31, 2022	% Changes	Reason for deviation
(i) Current Ratio	0.67	0.44	51.34%	Primarily due to increase in receivables and payment of liabilities.
(ii) Trade Receivables Turnover Ratio	4.13	50.84	-91.88%	The Company's operation started in previous year (from Oct 2022), hence significant changes in financial ratio is not compatible from previous year.
(iii) Debt Equity Ratio	1.06	1.25	-15.52%	
(iv) Return on Equity Ratio	0.34%	1.17%	-70.81%	The Company's operation started in previous year (from Oct 2022), hence significant changes in financial ratio is not compatible from previous year.
(v) Trade Payables Turnover Ratio	1.08	2.04	-46.85%	
(vi) Return on Capital Employed	67.54%	1.28%	5184.34%	
(vii) Net Capital Turnover Ratio	(3.45)	(0.31)	1018.37%	
(viii) Net Profit Ratio	0.08%	0.79%	-89.80%	
(ix) Debt Service Coverage Ratio	0.97	1.27	-23.39%	
(x) Inventory Turnover Ratio	-	-	-	
(xi) Return on Investment	-	-	-	

Ratios	Numerator	Denominator
Current Ratio	Current assets	Current liabilities
Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivable (Opening balance + closing balance) /2
Debt Equity Ratio	Total Debts	Total Equity
Return on Equity Ratio	Net Profit after tax	Average Total Equity [(Opening Equity Share capital + Opening Other equity + Closing Equity Share Capital + Closing Other Equity)/2
Trade Payables Turnover Ratio	Business conducting fees + Other expenses	Average trade payables (Opening balance + closing balance) /2
Return on Capital Employed	Profit Before interest & Tax	Total Equity + Total Debts
Net Capital Turnover Ratio	Revenue from operations	Working Capital (Current assets - Current liabilities)
Net Profit Ratio	Net profit after tax	Revenue from operations
Debt Service Coverage Ratio	Earnings available for debt service (Net profit after tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost & lease payment + principle repayment of long term borrowings during the year
Inventory Turnover Ratio	Revenue from operations	Average Inventory (opening balance+ closing balance)/2
Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank

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38. TAXATION

Tax Reconciliation (Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Reconciliation of tax expense		
Profit / (Loss) before tax	3.03	5.15
Enacted income tax rate (%) applicable to the Company	26.00%	26.00%
Tax expenses calculated at enacted income tax rate	0.79	1.34
Effect of Expenses that are not deductible in determining taxable profit	234.85	5.29
Effect of Income that are not considered in determining taxable profit	-	-
Effect of unused Tax Losses	(235.64)	(0.18)
Tax holiday benefit avail under section 80IAB of Income Tax Act, 1961	0.00	(6.45)
Tax paid under provision of Minimum Alternate Tax (MAT)*	0.47	0.77
Income tax expense recognised in statement of profit and loss	0.47	0.77

* 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.

39. In March 2022, Arshiya Limited (AL) has entered into Business Conducting and Services Agreement executed on March 01, 2022 with the Company in relation to operation of Warehouse No. 07 taken on sub-lease from Anomalous Infra Private Limited (AIPL) and operation of Container Yard and Open Yard owned by AL. The aforesaid Business Conducting and Services Agreement dated March 28, 2022 and Master Lease agreement (MLA) dated July 26, 2019 and addendum thereto is to be read in the overall context of MLA dated March 28, 2022, Sub-Lease agreement dated March 28, 2022 and other agreements and documents entered into in connection with lease of land, Sub-Lease of the said Warehouse No. 07 by AIPL to the Company and transfer of all rights and obligations. AL 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 warehouse and provide other services by utilising the infrastructure facilities provided by AL. The Company shall also receive all the incomes generated from the warehouse and storage yards, bearing the cost and expenses to operate and maintain the warehouse and storage yards. Pursuant to the aforesaid Business Conducting agreement the Company will pay 99% of Excess Revenue / Total Income over all the expenses / charges / provisions to AL as Business Conducting Fees. Accordingly, the Company has recognised as Business Conducting fees (expenses) Rs. 299.23 Lakh during the year ended March 31, 2022 (year ended March 31, 2022: 511.25 Lakh).

40. Anomalous Infra Private Limited ('the Sub-lessor' or 'AIPL') has retained Rs. 1,777.39 Lakh (March 31, 2022- Rs. 2,558.11 lakhs) from the consideration by way of lump sum rent ('Upfront Lease Payment') payable by AIPL to Arshiya Limited ('AL') in terms of Master Lease Agreement dated March 28, 2022 (MLA) and considered the same as deposit paid by the Company to AIPL for guaranteeing the payment of the Sub-Lease Rent and all other amounts as payable by the Company and/or AL and/or Arshiya Panvel Logistics Services Private Limited (APLSPL 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 AIPL 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 AIPL and payable to AL. The related finance income and finance expenses arising on discounting of security deposits with AIPL and payable to AL are disclosed under Notes 5 and 9, respectively.

41. REVENUE FROM CONTRACTS WITH CUSTOMERS (IND AS 115)

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

Revenue disaggregation by type of services is given note no. 21.

Revenue disaggregation by geography is as follows:

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
India	3,182.46	555.15
Outside India	-	-

Revenue disaggregation by timing of revenue recognition is as follows:

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Services transferred over time	3,182.46	555.15

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Reconciliation of Revenue from Operation with contract price:

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Contract Price	3,182.46	555.15

42. OTHER STATUTORY INFORMATION

(a) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(c) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(d) There are no transactions and outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act,1956.

(e) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(f) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(g) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

43. Previous year's figures have been regrouped / rearranged wherever necessary to comply with requirement of Ind AS and Schedule III.

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

Vijay Napawaliya
Partner
Membership Number 109859

Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Panvel FTWZ Services Private Limited

Sarvothama
Director
DIN : 08171762

Ashutosh Sharma
Director
DIN : 00679252

Arshiya Panvel FTWZ Services Private Limited ★ Mumbai

INDEPENDENT AUDITORS' REPORT

To the Members of
Arshiya Panvel Logistics Services Private Limited
Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Arshiya Panvel Logistics Services Private Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year 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, 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 2023, 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 Opinion

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

Material Uncertainty Related to Going Concern

We draw our attention to Note 37 in the financial statements, which indicates that the Company has incurred a net loss of Rs. 890.29 Lakh during the year ended March 31, 2023, as of that date, the Company's current liabilities exceeded its current assets by Rs.793.80 Lakh. Further as of that date the Company's accumulated losses amount to Rs. 885.23 lakh resulting in negative net worth of the Company. These conditions, along with other matter as set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Arshiya Logistics Services Limited (the Holding Company) and Arshiya Limited (the Ultimate Holding Company) has given financial support letter to extend, for the foreseeable future, any financial support which may be required by the Company. In lieu of the support letter from the Holding Company and Ultimate Holding Company, the management of the Company has assessed that the Company continues to be going concern. Our opinion is not modified in respect of the above said matter.

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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.

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

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

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. 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. 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, 2023 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**;

   g. In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year hence the provisions of section 197 of the Act is not applicable.

   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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and represented by the management :

      i. The Company does not have pending litigations which would impact 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.

      iv. (a) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Continuation sheet...

sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

v. (b) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to the financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.

vi. The Company has not declared or paid any dividend during the year.

vii. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 23109859BGXRTY3007

Place: Mumbai
Date: 29th May 2023

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Continuation sheet...

"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 Panvel Logistics Services Private Limited on the financial statements for the year ended 31st March 2023)

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment on the basis of available information.

(B) The Company does not have intangible assets, therefore the provisions of Clause 3 (i) (a) (B) of the Order is not applicable to the Company.

(b) As explained to us, Property, Plant and Equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and the records examined by us, the Company does not have immovable property, therefore the provisions of Clause 3 (i)(c) of the Order is not applicable to the Company.

(d) According to information and explanations given to us and books of accounts and records examined by us, the Company has not revalued its Property, Plant and Equipment during the year. Therefore the provisions of Clause 3 (i)(d) of the Order is not applicable to the Company.

(e) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) The nature of business of the Company does not require any inventory during the year therefore the provisions of Clause 3 (ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, at any point of the year, the Company has not been sanctioned any working capital facility from bank or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) During the year the Company has not made investments in, provided any guarantee or security or granted any loans or advance in the nature of loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or any other parties. Therefore, the provisions of Clause 3 (iii) (a), (b), (c), (d), (e), (f) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has not made any made investments or loan, given any guarantee or security to the parties covered under section 186 of the Act.

Continuation sheet...

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause 3 (v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and according to the information and explanations provided to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.

(vii) (a)According to the records of the company and information and explanations given to us, the Company is not regular, in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues to the appropriate authorities, as applicable, during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub clause (a) which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and representation given to us by the management, there are no such transactions that recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Therefore the provisions of Clause 3(viii) of the Order is not applicable to the Company.

(ix)(a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or other borrowings to any lender.

(b) In our opinion, and according to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion, and according to the information and explanations given and records examined by us, the company has not raised any money by way of term loans, therefore the provisions of Clause 3(viii) (c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, prima facie, the funds raised on short-term basis amounting to Rs. 793.80 Lakh have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does have any subsidiaries, associates or joint ventures, therefore the Provisions of Clause 3(ix)(e) and (f) of the Order is not applicable to the Company.

CHATURVEDI & SHAH LLP CHARTERED ACCOUNTANTS

Continuation sheet...

(x) (a) According to the information and explanations given to us, the Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore the Provisions of Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore the Provisions of Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by management, no fraud by the company or on the company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by auditor in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) The Company is not required to have Whistle Blower Mechanism under applicable rules and regulations. As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) As the Company is not a Nidhi Company and reporting under the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) The requirement of section 177 of the companies Act, is not applicable to the company. The Company has entered into transactions with related parties in compliance with the provisions of sections 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) As per section 138 of the Companies Act, 2013, the Company does not have to appoint an internal auditor, therefore, the provisions of Clause 3(xiv) of the Order is 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 as referred to in Section 192 of the Act. Therefore, the provisions of Clause 3(xv) of the Order is not applicable to the Company.

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

(b) In our opinion, and according to the information and explanations provided to us, the company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

Continuation sheet...

(c) In our opinion, and according to the information and explanations provided to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) In our opinion, and according to the information and explanations provided to us, the Group has no Core Investment Company (CIC) as part of the group.

(xvii) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses during the current financial year amounting to Rs. 890.22 lakhs however there was no cash losses in the immediately preceding financial year amounting.

(xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting and the various conditions specified under paragraph "Material uncertainty related to Going Concern" above, which indicates and causes us to believe that material uncertainty exists as on the date of the audit report that the Company is capable of meeting all of its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) According to the information and explanations given to us, provisions of section 135 are not applicable to the Company. Therefore, provisions of clause (xx) of the Order are not applicable to the Company.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 23109859BGXRTY3007

Place: Mumbai
Date: 29th May 2023

CHATURVEDI & SHAH LLP * CHARTERED ACCOUNTANTS * MUMBAI

Continuation sheet...

"Annexure B" to the Independent Auditor's Report

Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Panvel Logistics Services Private Limited on the financial statements for the year ended 31st March 2023.

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

We have audited the internal financial controls with reference to financial statements of **Arshiya Panvel Logistics Services Private Limited** ("the Company") as of 31st March, 2023 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 23109859BGXRTY3007

Place: Mumbai
Date: 29th May 2023

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

Continuation sheet...

ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non Current assets			
(a) Property, plant and equipment	4	0.76	-
(b) Other Non-current Assets	5	33.34	0.43
Total Non-current Assets		**34.10**	**0.43**
Current assets			
(a) Financial Assets			
(i) Trade Receivables	6	899.28	618.94
(ii) Cash and Cash Equivalents	7	23.37	9.88
(iii) Other Financial Assets	8	5.37	-
(b) Other Current Assets	9	0.25	-
Total Current Assets		**928.27**	**628.82**
TOTAL ASSETS		**962.37**	**629.25**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	1.00	1.00
(b) Other Equity	11	(885.23)	4.77
Total Equity		**(884.23)**	**5.77**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	12	120.71	36.16
(b) Provisions	13	3.82	3.46
Total Non-Current Liabilities		**124.53**	**39.62**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	-	37.01
(ii) Trade Payables	15		
Micro and Small Enterprises		144.42	71.14
Others		1,501.68	402.72
(iii) Other Financial Liabilities	16	34.01	20.51
(b) Other Current Liabilities	17	40.93	51.56
(c) Provisions	18	1.03	0.92
Total Current Liabilities		**1,722.07**	**583.86**
TOTAL EQUITY AND LIABILITIES		**962.37**	**629.25**

See accompanying notes 1-38 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Panvel Logistics Services Private Limited

Sarvothama Shetty
Director
DIN : 08171762

Ashutosh Sharma
Director
DIN : 00679252

ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED ★ MUMBAI

ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
(I) Income			
(a) Revenue from operations	19	2,463.18	892.91
(b) Other income	20	24.75	-
(II) Total Income		**2,487.93**	**892.91**
(III) Expenses			
(a) Warehousing, Transportation and Handling Costs	20	3,281.04	809.97
(b) Employee benefits expense	21	38.14	17.94
(c) Finance costs	22	3.05	0.23
(d) Depreciation expense	23	0.07	-
(e) Other expenses	24	55.92	56.98
(IV) Total Expenses		**3,378.22**	**885.12**
(V) Profit/(Loss) before tax (II-IV)		**(890.29)**	**7.79**
(VI) Tax expense:	33		
Current tax		-	1.90
Deferred tax		-	-
Profit/(Loss) for the year		**(890.29)**	**5.89**
Other Comprehensive Income (OCI)			
Item not to be reclassified to profit and loss			
Remeasurement of gains / (losses) on defined benefit plans		0.29	(0.40)
Other Comprehensive Income for the year		**0.29**	**(0.40)**
Total Comprehensive Income for the year		**(890.00)**	**5.49**
(VII) Earnings per equity share (Face Value Rupees 10 each)			
Basic and Diluted	25	(8,902.90)	58.90

See accompanying notes 1-38 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Panvel Logistics Services Private Limited

Sarvothama Shetty
Director
DIN : 08171762

Ashutosh Sharma
Director
DIN : 00679252

ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED ★ MUMBAI

ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A Equity Share Capital

Particulars	(Rupees in Lakhs)
As at March 31, 2022	1.00
As at March 31, 2023	1.00

B Other Equity

(Rupees in Lakhs)

Particulars	Retained Earnings	Total
As at March 31, 2021	**(0.72)**	**(0.72)**
Profit for the year	5.89	**5.89**
Other comprehensive income	(0.40)	**(0.40)**
As at March 31, 2022	**4.77**	**4.77**
Loss for the year	(890.29)	**(890.29)**
Other comprehensive income	0.29	**0.29**
As at March 31, 2023	**(885.23)**	**(885.23)**

C Total Equity

(Rupees in Lakhs)

Particulars	Total
As at March 31, 2022	5.77
As at March 31, 2023	(884.23)

See accompanying notes 1-38 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

For and on behalf of the Board of Directors
Arshiya Panvel Logistics Services Private Limited

Sarvothama Shetty
Director
DIN : 08171762

Ashutosh Sharma
Director
DIN : 00679252

ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit / (Loss) before Tax	**(890.29)**	**7.79**
Adjustments for:		
Depreciation expense	0.07	-
Finance costs	3.05	0.23
Rent Expenses	-	-
Foreign exchange differences (Net)	(24.66)	0.37
Operating Profit / (loss) before working capital changes	**(911.83)**	**8.39**
Changes in working capital:		
(Increase) in trade receivables	(255.68)	(619.31)
(Increase) in other current assets	(5.62)	-
Increase in trade payables	1,172.24	473.61
Increase in other current liabilities	85.13	111.98
Cash generated from /(used in) operations	**84.24**	**(25.33)**
Taxes paid (net of refunds)	(32.91)	(2.33)
Net cash generated from /(used in) operating activities (A)	**51.33**	**(27.66)**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(0.83)	-
Net cash flow from investing activities (B)	**(0.83)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from short term borrowings (net)	(37.01)	37.01
Net cash (used in)/generated from financing activities	**(37.01)**	**37.01**
Net increase/(decrease) in cash and cash equivalents **(A+B)**	13.49	9.35
Cash and Cash Equivalents at the beginning of the financial year	9.88	0.53
Cash and Cash equivalents at the end of the year (Refer Note No. 7)	**23.37**	**9.88**

Change in liabilities arises from financing activities

Particulars	Current Borrowings
As at April 01, 2022	37.01
Less: Cash flow (net)	(37.01)
As at 31st March, 2023	**-**

Notes:
1. Bracket indicates cash outflow.
2. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flow.

See accompanying notes 1-38 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

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For and on behalf of the Board of Directors
Arshiya Panvel Logistics Services Private Limited

Sarvothama Shetty
Director
DIN : 08171762

Ashutosh Sharma
Director
DIN : 00679252

ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED ★ MUMBAI

ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate Information

ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED 'the Company' (CIN no.: U74999MH2019PTC322399), was incorporated on March 12, 2019 is engaged in the business of Free Trade and Warehousing Zone (FTWZ) and services along with development, operations and maintenance of FTWZ and unified supply chain and integrated logistics infrastructure solution provider. The registered office of the Company is located at 205 & 206 (Part), 2nd Floor, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai City Maharashtra 400018. The Company is registered as a service unit in Free Trade Warehousing Zone (FTWZ) of Arshiya Limited, at Panvel, Maharashtra.

The financial statements of the Company for the year ended March 31, 2023 were approved and adopted by board of directors in their meeting held on May 29, 2023.

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) 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, except for certain financial assets and liabilities which are measured at fair value.

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) Revenue recognition

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

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring 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.

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.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as a part of contract.

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.

(c) 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.

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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 except for certain items of office equipment and plant and machinery for which useful life considered is 1 year and 5 years, respectively.

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.

(d) 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.

(e) 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. However, trade receivables that do not contain a significant financing component are measured at transactions price.

(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.

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

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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.

(iii) 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.

(iv) 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.

(f) 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.

(g) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of financial instruments, or where appropriate, a shorter period.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

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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.

(m) 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.

(n) 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.

(o) 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.

(p) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and cash 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.

(q) 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.

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(r) 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.

(i) **Defined Contribution Plan**

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

(ii) **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.

(s) 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.

(t) 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 and non-financial assets, Recoverability of trade receivable, provisions and contingent liabilities and fair value measurement.

3.1 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.

3.2 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.

3.3 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.

3.4 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.

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3.5 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.

3A Recent Accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 01, 2023.

- Ind AS 101 – First time adoption of Ind AS
- Ind AS 102 – Share based Payment
- Ind AS 103 – Business Combination
- Ind AS 107 – Financial Instruments Disclosures
- Ind AS 109 – Financial Instrument
- Ind AS 115 – Revenue from Contracts with Customers
- Ind AS 1 – Presentation of Financial Statements
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12 – Income Taxes
- Ind AS 34 – Interim Financial Reporting

The Company does not expect the consequential amendments to have any significant impact in its financial statements.

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ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

4. PROPERTY, PLANT AND EQUIPMENT

(Rupees in Lakhs)

Particulars	Office Equipment	Total
At Cost		
Balance as at April 01, 2021	-	-
Additions during the year	-	-
Disposals	-	-
Balance as at March 31, 2022	**-**	**-**
Additions during the year	0.83	0.83
Disposals		-
Balance as at March 31, 2023	**0.83**	**0.83**
ACCUMULATED DEPRECIATION		
Balance as at April 01, 2021	-	-
Depreciation for the year	-	-
Disposals		-
Balance as at March 31, 2022	**-**	**-**
Depreciation for the year	0.07	0.07
Disposals		-
Balance as at March 31, 2023	**0.07**	**0.07**
Net Carrying value as at March 31, 2022	**-**	**-**
Net Carrying value as at March 31, 2023	**0.76**	**0.76**

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ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

5. OTHER NON-CURRENT ASSETS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax Assets	33.34	0.43
Total	**33.34**	**0.43**

6. TRADE RECEIVABLES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Trade Receivables		
Secured, Considered good	-	-
Undisputed Considered good - Unsecured (Refer note no. 27)	899.28	618.94
Trade Receivables which have significant increase in credit risk	-	-
	899.28	**618.94**
Less: Provision for expected credit losses	-	-
Total	**899.28**	**618.94**

Trade Receivable ageing schedule:
Outstanding for followings from due date of payment

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Undisputed Unsecured, considered good		
Not Due	191.88	213.99
Less than 6 months	312.28	404.95
6 month to 1 year	275.15	-
1 to 2 years	119.97	-
2 to 3 years	-	-
More than 3 years	-	-
Disputed Trade Receivables	-	-
Total	**899.28**	**618.94**

7. CASH AND CASH EQUIVALENTS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	4.50
Balance with bank in current account (refer below note)	23.37	5.38
Total	**23.37**	**9.88**

Note:
Cash and cash equivalents as at March 31, 2023 Rupees 23.14 Lakhs (March 31, 2022: 3.88) 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 Anoamlous Infra Private Limited.

8. OTHER FINANCIAL ASSETS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unbilled Revenue	5.37	-
Total	**5.37**	**-**

9. OTHER CURRENT ASSETS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
- Prepaid expenses	0.25	-
Total	**0.25**	**-**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

10. EQUITY SHARE CAPITAL

i. Authorised Share Capital

Particulars	Number	Rupees in Lakhs
Equity Share of Rs.10 each		
As at March 31, 2022	10,000	1.00
As at March 31, 2023	10,000	1.00

Terms/rights attached to equity shares

The Company has only one class of shares, namely, 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.

ii. Issued subscribed and paid up equity shares

Particulars	Number	Rupees in Lakhs
Equity shares of Rupees 10 each issued, subscribed and fully paidup		
As at March 31, 2022	10,000	1.00
As at March 31, 2023	10,000	1.00

iii. Rights, Preferences and restrictions attached to equity shares

The Company has only one class of shares, namely, 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.

iv. Shares held by Holding Company

Out of equity shares issued by the Company, shares held by its Holding Company are as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Arshiya Logistics Services Limited		
No. of Equity shares	10,000	10,000
Percentage Holding	100%	100%

v. Shareholding of Promoters

Particulars	As at March 31, 2023	As at March 31, 2022	% Change during the year
Arshiya Logistics Services Limited			
No. of Equity shares	10,000	10,000	-
Percentage Holding	100%	100%	-

vi. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% Holding	Number	% Holding
Arshiya Logistics Services Limited (Holding Company)	9,900	100%	9,900	100%
Shares held with jointly shareholder	100		100	

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11. OTHER EQUITY

Reserves and Surplus (Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	(885.23)	4.77
Total	**(885.23)**	**4.77**

Retained Earnings (Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	4.77	(0.72)
Profit / (Loss) for the year	(890.29)	5.89
Other Comprehensive Income (OCI)	0.29	(0.40)
Closing balance	**(885.23)**	**4.77**

Nature & purpose of reserves

Retained Earnings:
Retained earnings are the Profits / (losses) of the Company earned till date net of appropriations.

12. OTHER FINANCIAL LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Security deposits from customers	120.71	36.16
Total	**120.71**	**36.16**

13. PROVISION

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer Note No. 26)		
Gratuity	2.99	2.66
Leave encashment	0.83	0.80
Total	**3.82**	**3.46**

14. BORROWINGS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Borrowings		
Loan from Related Party* (Refer Note No. 27)	-	37.01
Total	**-**	**37.01**

Note:
*Inter corporate loan (Arshiya Limited - Ultimate Holding Company) is interest free and payable on end of tenure.

15. TRADE PAYABLES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Micro and Small Enterprises (Refer note below B)	144.42	71.14
Other than micro and small enterprises (Refer Note No. 27)	1,501.68	402.72
Total	**1,646.10**	**473.86**

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(A) Trade payable ageing schedule:

Outstanding for followings from due date of payment

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Micro and Small Enterprises		
Not Due	65.86	1.36
Less than 1 year	78.56	69.78
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Micro and Small Enterprises	**144.42**	**71.14**
Other than micro and small enterprises		
Not Due	413.95	364.00
Less than 1 year	1,087.73	38.70
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Other than micro and small enterprises	**1,501.68**	**402.70**
Disputed		
Micro and Small Enterprises	-	-
Other than micro and small enterprises	-	-

B) DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT,2006

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers under MSMED Act, 2006	144.42	71.14
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	1.10	0.20
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	1.10	0.20

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.

16. OTHER FINANCIAL LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Security deposits from customers	27.19	13.11
Employees dues	5.72	7.20
Interest payable on delayed payments to MSME creditors	1.10	0.20
Total	**34.01**	**20.51**

17. OTHER CURRENT LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customer	12.89	0.71
Statutory Dues (refer below note)	27.60	50.82
Interest on Statutory Liabilities	0.44	0.03
Total	**40.93**	**51.56**

Note:
Statutory dues included Tax deducted at sources (TDS), Goods and Service tax (GST), Provident Fund (PF) and Profession Tax (PT).

18. PROVISION

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer Note No. 25)		
Gratuity	0.78	0.69
Leave encashment	0.25	0.23
Total	**1.03**	**0.92**

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19. REVENUE FROM OPERATIONS

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations		
Warehousing income	1,518.71	439.06
Transportation income	654.47	362.77
Handling, value optimisation and others services	290.00	91.08
Total	**2,463.18**	**892.91**

20. OTHER INCOME

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net gain on foreign currency transactions and translation	24.66	-
Excess provision written back	0.09	-
Total	**24.75**	**-**

20. WAREHOUSING, TRANSPORTATION AND HANDLING COSTS

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Warehouse storage charges	2,532.36	558.42
Transportation charges	319.89	175.94
Material Handling and other Charges	322.15	47.91
Labour Charges	106.64	27.70
Total	**3,281.04**	**809.97**

21. EMPLOYEE BENEFITS EXPENSE

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	35.68	16.86
Contribution to provident fund and employees state insurance	2.46	1.08
Total	**38.14**	**17.94**

22. FINANCE COSTS

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on delayed payment of Statutory Dues	2.06	0.03
Interest expense on MSMED vendors	0.99	0.20
Total	**3.05**	**0.23**

23. DEPRECIATION EXPENSE

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expenses	0.07	-
Total	**0.07**	**-**

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24. OTHER EXPENSES

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payments to Auditors (Refer note below)	3.00	0.25
Repairs and maintenance	1.25	0.05
Legal and professional fees	1.80	38.63
Travelling and conveyance expenses	-	2.24
Rates and taxes	0.33	0.31
Net loss on foreign currency transactions and translation	-	0.37
Security charges	47.51	11.51
Miscellaneous Expenses	2.03	3.62
Total	**55.92**	**56.98**

Note : Payments to Auditors

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As Auditor		
Audit Fees	3.00	0.25
Total	**3.00**	**0.25**

25. EARNINGS PER EQUITY SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit available to equity shareholders		
Profit / (Loss) after tax (A) (Rupees in Lakhs)	(890.29)	5.89
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)	10,000	10,000
Basic & Diluted earnings per share(A/B) (Rs.)	(8,902.90)	58.90
Nominal Value of an equity share (Rs.)	10.00	10.00

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26. EMPLOYEE BENEFITS

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

(a) Defined Contribution Plan:

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

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Employer's Contribution to Provident Fund	0.53	0.13
Employer's Contribution to Pension Scheme	1.21	0.31
Employer's Contribution to ESIC	-	-

(b) Brief descriptions of the plans

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

(c) Leave Encashment:

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Provision as at the end of the year	0.25	0.23
Non Current Provision as at the end of the year	0.83	0.80
Provision recognised in the Balance Sheet	**1.08**	**1.03**

(d) Defined benefit plan – Gratuity:

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.

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
I. Actuarial assumptions		
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
Discount rate	7.30%	6.10%
Expected return on plan assets	6.10%	5.60%
Salary Escalation Rate	5.00%	5.00%
Withdrawal Rate	20.00%	20.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Provision as at the beginning of the year	3.35	-
Interest cost	0.20	0.13
Current service cost	0.51	0.50
Liability transferred by group companies	-	2.32
Liability transferred to group companies	-	-
Benefits paid	-	-
Acquisition adjustments	-	-
Actuarial (gain)/loss on obligations	(0.29)	0.40
Provision as at the end of the year	3.77	3.35
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	-	-
Expected return on plan assets	-	-
Actual Enterprise's Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	-	-
IV. Actual return on plan assets		
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	-	-
V. Provision recognised in the Balance Sheet		
Provision as at the end of the year	3.77	3.35
Fair value of plan assets as at the end of the year	-	-
Provision recognised in the Balance Sheet	3.77	3.35

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VI. Amount recognised in the Statement of Profit and Loss		
Current service cost	0.51	0.50
Interest cost	0.20	0.13
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be on obligation	-	-
Expense recognised in Statement of Profit and Loss	0.71	0.63
VII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	(0.21)	(0.07)
Due to Change in demographic assumption	-	-
Due to Change in experience assumption	(0.08)	0.47
Expected return on plan assets	-	-
Total remeasurement recognised in OCI	(0.29)	0.40
VIII. Balance Sheet reconciliation		
Opening net provision	3.35	-
Expenses recognised in Profit & Loss	0.71	0.63
Actual Employer Contribution	-	-
Net transfer by group companies	-	2.32
Net transfer to group companies	-	-
Acquisition adjustments	-	-
Total Remeasurement recognised in OCI	(0.29)	0.40
Closing net provision	3.77	3.35

(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.

26.2 Sensitivity analysis:

(Rupees in Lakhs)

Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended 31st March, 2023		
Salary growth rate	+0.50%	3.86
	-0.50%	3.69
Discount rate	+0.50%	3.69
	-0.50%	3.86
For the year ended 31st March, 2022		
Salary growth rate	+0.50%	3.42
	-0.50%	3.27
Discount rate	+0.50%	3.27
	-0.50%	3.43

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

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

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

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

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

26.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 4 years (31st March, 2022 - 4 years).

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27. 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	Ultimate Holding Company
Arshiya Logistics Services Limited	100% Holding Company
List of Related party and relationship, with whom transaction have taken place	
Arshiya Panvel FTWZ Services Private Limited	Fellow Subsidiary
Anomalous Infra Private Limited	Fellow Subsidiary (till March 28, 2022)

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

(Rupees in Lakhs)

Name	Nature of Transactions	Year ended March 31, 2023	Year ended March 31, 2022
Arshiya Panvel FTWZ Services Private Limited	Warehousing and handling services	2,780.96	468.52
Anomalous Infra Private Limited	Warehousing and handling services	-	133.69
Arshiya Logistics Services Limited	Income billed to customer on behalf of the Company	-	206.59
Arshiya Limited	Proceed from Borrowings	169.07	124.64
Arshiya Limited	Repayment of Borrowings	206.08	132.65
Arshiya Limited	Cost sharing	-	45.02
Arshiya Logistics Services Limited	Cost sharing	-	54.90

(iii) Outstanding balances

(Rupees in Lakhs)

Nature of Transactions	Related Party	As at March 31, 2023	As at March 31, 2022
Trade Payables	Arshiya Panvel FTWZ Services Private Limited	1,399.33	11.36
Trade Receivables	Arshiya Logistics Services Limited	155.18	339.90

(iv) Loans from related parties

(Rupees in Lakhs)

Name	Nature of Transactions	As at March 31, 2023	As at March 31, 2022
Loans from related parties			
Arshiya Limited	**Begining of the year**	37.01	-
	Loans received	169.07	124.64
	Cost allocations	-	45.02
	Loan repayment	(206.08)	(132.65)
	End of the year	**-**	**37.01**

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28. 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 (FTWZ) and Special Economic Zone (SEZ)". 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.

28.1. Entity-wide disclosure required by IND AS 108 are made as follows:

(a) Revenue from external sales and services

(Rupees in Lakhs)

Geography	Year ended March 31, 2023	Year ended March 31, 2022
India	2,463.18	892.91
Outside India	-	-
Total	**2,463.18**	**892.91**

(b) Segment Assets
All assets are within India only.

28.2. Information about major customers:
Revenues from two customers aggregating to Rs. 637.68 Lakh (March 31, 2022 - three customers aggregating to Rs. 529.86 Lakh) exceeds 10% or more.

29. 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 (Rupees in Lakhs)

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	899.28	618.94	899.28	618.94
Cash and Cash Equivalents	23.37	9.88	23.37	9.88
Other Financial Assets	5.37	-	5.37	-
Total	**928.02**	**628.82**	**928.02**	**628.82**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	-	37.01	-	37.01
Trade Payables	1,646.10	473.86	1,646.10	473.86
Security Deposits	147.90	49.27	147.90	49.27
Other financial liabilities	6.82	7.40	6.82	7.40
Total	**1,800.82**	**567.54**	**1,800.82**	**567.54**

30. 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
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.

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Trade receivables are typically unsecured and are derived from revenue earned from customers located in India and outside 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.

(Rupees in Lakhs)

Financial assets for which loss allowances is measured using the expected credit loss	As at March 31, 2023	As at March 31, 2022
Current		
Secured, considered good	-	-
Unsecured, considered good	899.28	618.94
Trade Receivables which have significant increase in credit risk	-	-
	899.28	**618.94**
Less: Allowance for doubtful debts (expected credit loss allowance)	-	-
	899.28	**618.94**

(b) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The Company's objective is to, at all times; maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company limits its liquidity risk by ensuring regular monitoring of funds from trade and other receivables. The Company relies on assets light business model through monetization of assets and tie-up of construction funding and operating cash flows to meet its needs for funds.

Contractual maturities of financial liabilities (Rupees in Lakhs)

Particulars	less than 1 year	1 to 5 years	More than 5 year
March 31, 2023			
Financial liabilities			
Borrowings	-	-	-
Trade payables	1,646.10	-	-
Other financial liabilities	34.01	120.71	-
Total	**1,680.11**	**120.71**	**-**
March 31, 2022			
Financial liabilities			
Borrowings	37.01	-	-
Trade payables	473.86	-	-
Other financial liabilities	20.51	36.16	-
Total	**531.38**	**36.16**	**-**

(c) Foreign exchange risk

The Company's foreign exchange risk arises from its foreign currency revenues (primarily in US Dollar). 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

(Rupees in Lakhs)

Particulars	Foreign Currency amount		Equivalent amount in INR	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade receivables				
USD	9.05	3.68	744.27	279.09
Advance from customer				
USD	0.03	0.01	2.63	0.76
Security deposit from customer				
USD	0.25	0.14	20.68	10.80
Balance with banks				
USD	0.28	-	23.14	-

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(ii) Sensitivity analysis

The Sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments.

(Rupees in Lakhs)

Particulars	Increase/(decrease) in profit before tax	
	As at March 31, 2023	As at March 31, 2022
FX rate - increase by 1% on closing rate of reporting date	7.44	2.68
FX rate - (decrease) by 1% on closing rate of reporting date	(7.44)	(2.68)

31. 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 working 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.

32. KEY FINANCIAL RATIOS

Particulars	As at March 31, 2023	As at March 31, 2022	% Changes	Reason for deviation
(i) Current Ratio	0.54	1.08	-49.95%	Primarily decreased due to increased in trade payables.
(ii) Trade Receivables Turnover Ratio	3.24	2.89	12.46%	
(iii) Debt Equity Ratio	-	6.41	-100.00%	Primarily decreased due to repayment of borrowings.
(iv) Return on Equity Ratio	202.69%	194.71%	4.10%	
(v) Trade Payables Turnover Ratio	3.15	3.66	-13.92%	
(vi) Return on Capital Employed	100.34%	18.75%	435.23%	Primarily increased due to repayment of borrowings and accumulated losses.
(vii) Net Capital Turnover Ratio	(3.10)	19.86	-115.62%	Primarily decreased due to increased in trade payables.
(viii) Net Profit Ratio	-36.14%	0.66%	-5579.33%	Primarily decreased due to increased in cost of operations.
(ix) Debt Service Coverage Ratio	(290.90)	26.61	-1193.25%	Primarily decreased due to repayment of borrowings.
(x) Inventory Turnover Ratio	-	-	-	
(xi) Return on Investment	-	-	-	

Ratios	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities
Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivable (Opening balance + closing balance) /2
Debt Equity Ratio	Total Debts	Total Equity
Return on Equity Ratio	Net Profit after tax	Average Total Equity [(Opening Equity Share capital + Opening Other equity+Closing Equity Share Capital+Closing Other Equity)/2
Trade Payables Turnover Ratio	Warehousing, Transportation and Handling Costs + Other expenses	Average trade payables (Opening balance + closing balance) /2
Return on Capital Employed	Profit Before interest & Tax	Total Equity + Total Debts
Net Capital Turnover Ratio	Revenue from operations	Working Capital (Current assets - Current liabilities)
Net Profit Ratio	Net profit after tax	Revenue from operations

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Ratios	Numerator	Denominator
Debt Service Coverage Ratio	Earnings available for debt service (Net profit after tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost & lease payment + principle repayment of long term borrowings during the year
Inventory Turnover Ratio	Revenue from operations	Average Inventory (opening balance+ closing balance)/2
Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank

33. TAXATION

33.1 Tax Reconciliation **(Rupees in Lakhs)**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Reconciliation of tax expense		
Profit / (Loss) before tax	(890.29)	7.79
Enacted income tax rate (%) applicable to the Company	26.00%	26.00%
Tax expenses calculated at enacted income tax rate	(231.48)	2.03
Related to Property plant & equipment	-	-
Effect of Expenses that are not deductible in determining taxable profit	0.98	0.06
Effect of Income that are not considered in determining taxable profit	(0.02)	-
Effect of unused Tax Losses	230.52	(0.19)
Income tax expense recognised in statement of profit and loss	-	1.90

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

33.3 Unused tax losses for which no deferred tax assets has been recognised

(Rupees in Lakhs)

Assessment Year	Business Loss	Available for utilization till	Unabsorbed Depreciation
AY 2023-2024	886.49	AY 2031-2032	0.06
Total	**886.49**		**0.06**

Deferred tax assets as at 31st March, 2023 Rs. 229.25 Lakh (31st March, 2022 - Rs. Nil) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilized by the Company. Details of deferred tax assets are mentioned below:

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment	(0.00)	-
Unabsorbed depreciation	(0.02)	-
Expense disallowable under the Income Tax act	1.26	-
Unabsorbed losses	(230.49)	-
Total Deferred tax assets	**(229.25)**	-

34. CONTINGENT LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Bond-cum Legal Undertaking (Refer note below)	40,000.00	40,000.00

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 customers.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

35. REVENUE FROM CONTRACTS WITH CUSTOMERS (IND AS 115)

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

Revenue disaggregation by type of services is given note no. 19.

Revenue disaggregation by geography is as follows:

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
India	2,463.18	892.91
Outside India	-	-

Revenue disaggregation by timing of revenue recognition is as follows:

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Services transferred over time	2,463.18	892.91

Reconciliation of Revenue from Operation with contract price:

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Contract Price	2,463.18	892.91

Information about major customers

Revenues from two customers aggregating to Rs. 637.68 Lakh (March 31, 2022 - three customers aggregating to Rs. 529.86 Lakh) exceeds 10% or more.

36. OTHER STATUTORY INFORMATION

(a) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(c) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(d) There are no transactions and outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act,1956.

(e) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(f) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(g) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

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37. GOING CONCERN

As at March 31, 2023, due to accumulated losses of INR 885.23 lakhs, net-worth of the Company is fully eroded. The management believes that Government's focus on logistics infrastructure sector is accretive 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. These macro factors coupled with the Company's future business projections prepared basis the Group management's plan to expand the operations in free trade warehousing zone at Panvel, Maharashtra and steps being taken by the management to control the operating costs, will improve the Company's ability to expand the client base multi-fold and thereby the cash flow position shall further improvise. Accordingly, these financial statements have been prepared on going concern basis.

38. Previous year's figures have been regrouped / rearranged wherever necessary to comply with requirement of Ind AS and Schedule III.

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

Vijay Napawaliya
Partner
Membership Number 109859

Place: Mumbai
Date: May 29, 2023

For and on behalf of the Board of Directors
Arshiya Panvel Logistics Services Private Limited

Sarvothama Shetty
Director
DIN : 08171762

Ashutosh Sharma
Director
DIN : 00679252

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ARSHIYA PANVEL LOGISTICS SERVICES PRIVATE LIMITED ★ MUMBAI

INDEPENDENT AUDITORS' REPORT

To the Members of
Unrivalled Infrastructure Private Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Unrivalled Infrastructure Private Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2023, 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, 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 2023, 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 Opinion

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.

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies act, 2013, we are also responsible for expressing our opinion on whether the

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company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

   b. 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. In our opinion, the aforesaid financial statements comply with Ind AS prescribed under Section 133 of the Act read with relevant rules there under;

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e. On the basis of the written representations received from the directors of the Company as on 31st March, 2023 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**;

g. In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year hence the provisions of section 197 of the Act is not applicable.

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 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 does not have pending litigations which would impact 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.

iv. (a) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to the financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.

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v. The Company has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 23109859BGXRTZ2256

Place: Mumbai
Date: 29th May 2023

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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"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 Unrivalled Infrastructure Private Limited on the financial statements for the year ended 31st March 2023)

(i) The Company does not have Property, Plant and Equipment therefore the Provisions of Clause 3 (i) (a), (b), (c) and (d) of the Order are not applicable to the Company.

(b) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) The nature of business of the Company does not require any inventory during the year therefore the provisions of Clause 3 (ii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, at any point of the year, the Company has not been sanctioned any working capital facility from bank or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) During the year the Company has not made investments in, provided any guarantee or security or granted any loans or advance in the nature of loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or any other parties. Therefore, the provisions of Clause 3 (iii) (a), (b), (c), (d), (e), (f) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has not made any made investments or loan, given any guarantee or security to the parties covered under section 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause 3 (v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and according to the information and explanations provided to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.

(vii) (a) According to the records of the company and information and explanations given to us, the Company has generally been regular, in depositing undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess and any other statutory dues to the

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

appropriate authorities, as applicable, during the year. Details of undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable is as follows;

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	TDS u/s 194J	92,911	March,2022	30.04.2022	

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub clause (a) which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and representation given to us by the management, there are no such transactions that recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Therefore the Provisions of Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or other borrowings to any lender. The borrowing from parent company is interest free.

(b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion, and according to the information and explanations given and records examined by us, the company has not raised any money by way of term loans, therefore the provisions of Clause 3(viii) (c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, prima facie, short-term funds available of Rs. 14.26 Lakh have been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does have any subsidiaries, associates or joint ventures, therefore the Provisions of Clause 3(ix)(e) and (f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore the Provisions of Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore the

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Continuation sheet...

Provisions of Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by management, no fraud by the company or on the company has been noticed or reported during the year.

(b) According to the information and explanations given to us, No report under sub-section 12 of section 143 of the Act has been filed by auditor in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) The Company is not required to have Whistle Blower Mechanism under applicable rules and regulations. As represented to us by the management, there are no whistle blower complaints received by the company during the year.

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

(xiii) The requirement of section 177 of the companies Act, is not applicable to the company. The Company has not entered into any transactions under sections 188 of the Act. The details of 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) As per section 138 of the Companies Act, 2013, the Company does not have to appoint an internal auditor, therefore, the provisions of Clause 3(xiv) of the Order is 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 as referred to in Section 192 of the Act. Therefore, the provisions of Clause 3(xv) of the Order is not applicable to the Company.

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

(b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

(c) In our opinion, and according to the information and explanations provided to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) In our opinion, and according to the information and explanations provided to us, the Group has no Core Investment Company (CIC) as part of the group.

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Continuation sheet...

(xvii) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses in the financial year and in the immediately preceding financial year amounting to Rs. 1.33 Lakh and Rs.0.57 Lakh respectively.

(xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, financial support provided by parent company, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, provisions of section 135 are not applicable to the Company. Therefore, provisions of clause (xx) of the Order are not applicable to the Company.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 23109859BGXRTZ2256

Place: Mumbai
Date: 29th May 2023

CHATURVEDI & SHAH LLP * CHARTERED ACCOUNTANTS * MUMBAI

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"Annexure B" to the Independent Auditor's Report

Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Unrivalled Infrastructure Private Limited on the financial statements for the year ended 31st March 2023

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

We have audited the internal financial controls with reference to financial statements of **Unrivalled Infrastructure Pvt. Limited** ("the Company") as of 31st March, 2023 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Continuation sheet...

statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements , including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 23109859BGXRTZ2256

Place: Mumbai
Date: 29th May 2023

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

Continuation sheet...

UNRIVALLED INFRASTRUCTURE PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
(a) Capital Work-in-Progress	4	12.29	12.29
Total Non Current Assets		**12.29**	**12.29**
Current assets			
(a) Financial Assets			
Cash and Cash Equivalents	5	0.29	0.31
(b) Other Current Assets	6	0.05	0.05
Total Current Assets		**0.34**	**0.36**
TOTAL ASSETS		**12.63**	**12.65**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	7	1.00	1.00
(b) Other Equity	8	(2.97)	(1.64)
Total Equity		**(1.97)**	**(0.64)**
Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	9	4.78	3.10
(ii) Trade Payables	10		
Micro and Small Enterprises		-	-
Others		0.30	0.55
(iii) Other Financial Liabilities	11	8.37	8.37
(b) Other Current Liabilities	12	1.15	1.27
Total Current Liabilities		**14.60**	**13.29**
TOTAL EQUITY AND LIABILITIES		**12.63**	**12.65**

See accompanying notes 1 - 26 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

For and on behalf of the Board of Directors
Unrivalled Infrastructure Private Limited

Navnit Choudhary
Director
DIN : 00613576

Ashutosh Sharma
Director
DIN : 00679252

UNRIVALLED INFRASTRUCTURE PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
(I) Income			
Revenue from operations		-	-
(II) Total Income		**-**	**-**
(III) Expenses			
(a) Finance Cost	13	0.18	0.04
(b) Other expenses	14	1.15	0.53
(IV) Total Expenses		**1.33**	**0.57**
(V) Loss before tax (II-IV)		**(1.33)**	**(0.57)**
(VI) Tax expense:	22		
Current tax		-	-
Deferred tax		-	-
Loss for the year		**(1.33)**	**(0.57)**
Other Comprehensive Income (OCI)			
Item not to be reclassified to profit and loss		-	-
Total Comprehensive Income		**(1.33)**	**(0.57)**
(VII) Earnings per equity share (Face Value Rupees 10 each)			
Basic and Diluted	15	(13.30)	(5.70)

See accompanying notes 1 - 26 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Unrivalled Infrastructure Private Limited

Navnit Choudhary
Director
DIN : 00613576

Ashutosh Sharma
Director
DIN : 00679252

Unrivalled Infrastructure Private Limited MUMBAI

UNRIVALLED INFRASTRUCTURE PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A Equity Share Capital

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Share Capital	1.00	1.00

B Other Equity

(Rupees in Lakhs)

Particulars	Retained Earnings	Total
As at March 31, 2021	**(1.07)**	**(1.07)**
Loss for the year	(0.57)	**(0.57)**
Other comprehensive income	-	-
As at March 31, 2022	**(1.64)**	**(1.64)**
Loss for the year	(1.33)	**(1.33)**
Other comprehensive income	-	-
As at March 31, 2023	**(2.97)**	**(2.97)**

C Total Equity

(Rupees in Lakhs)

Particulars	Total
As at March 31, 2023	(1.97)
As at March 31, 2022	(0.64)

See accompanying notes 1 - 26 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Unrivalled Infrastructure Private Limited

Navnit Choudhary
Director
DIN : 00613576

Ashutosh Sharma
Director
DIN : 00679252

Unrivalled Infrastructure Private Limited MUMBAI

UNRIVALLED INFRASTRUCTURE PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before Tax	**(1.33)**	**(0.57)**
Operating loss before working capital changes	**(1.33)**	**(0.57)**
Changes in working capital:		
Decrease in other current assets	-	0.03
(Decrease)/Increase in trade payables	(0.25)	0.30
(Decrease)/Increase in other current liabilities	(0.12)	1.27
Net cash (used in)/generated from operating activities (A)	**(1.70)**	**1.03**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital work in progress	-	(3.92)
Net cash used in investing activities (B)	**-**	**(3.92)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from short term borrowings (net)	1.68	3.10
Net cash generated from financing activities (C)	**1.68**	**3.10**
Net increase / (decrease) in cash and cash equivalents **(A+B+C)**	(0.02)	0.21
Cash and Cash Equivalents at the beginning of the financial year	0.31	0.10
Cash and cash equivalents at the end of the year (Refer Note No. 5)	**0.29**	**0.31**

Change in liabilities arises from financing activities (Rupees in Lakhs)

Particulars	Current Borrowings
As at 01st April, 2022	3.10
Less: Cash flow (net)	1.68
As at 31st March, 2023	**4.78**

Notes:
1. Bracket indicates cash outflow.
2. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flow.

See accompanying notes 1 - 26 to the financial statements

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on behalf of the Board of Directors
Unrivalled Infrastructure Private Limited

Navnit Choudhary
Director
DIN : 00613576

Ashutosh Sharma
Director
DIN : 00679252

Unrivalled Infrastructure Private Limited ★ MUMBAI

UNRIVALLED INFRASTRUCTURE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate Information

UNRIVALLED INFRASTRUCTURE PRIVATE LIMITED 'the Company' (CIN No.: U74999MH2019PTC319124), was incorporated on January 07, 2019 is engaged in the business of infrastructure developmental services, logistics, supply chain management and warehousing construction, operating and consultancy services related to distribution warehousing, logistics and allied activities. The registered office of the Company is located at 205 & 206 (Part), 2nd Floor, Ceejay House, F-Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai City Maharashtra 400018. The Company is a Co-developer under the Special Economic Zones Act, 2005.

The financial statements of the Company for the year ended March 31, 2023 were approved and adopted by board of directors in their meeting held on May 29, 2023.

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) 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, except for certain financial assets and liabilities which are measured at fair value.

2.2 Summary of significant accounting policies

(a) 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.

(b) 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.

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Unrivalled Infrastructure Private Limited ★ MUMBAI

(c) Revenue recognition

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

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring 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.

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.

(d) 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.

(e) 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.

(ii) Financial assets - Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-

a) Financial assets at fair value
b) Financial assets at 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).

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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.

(iii) 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.

(iv) 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.

(f) 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.

(g) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of financial instruments, or where appropriate, a shorter period.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

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Unrivalled Infrastructure Private Limited MUMBAI

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.

(m) 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.

(n) 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.

(o) 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.

(p) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and cash 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.

(q) 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.

(r) 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.

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Unrivalled Infrastructure Private Limited MUMBAI

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 and non-financial assets, provisions and contingent liabilities and fair value measurement.

3.1 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.

3.2 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.

3.3 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.

3.4 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.

3A Recent Accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 01, 2023.

- Ind AS 101 – First time adoption of Ind AS
- Ind AS 102 – Share based Payment
- Ind AS 103 – Business Combination
- Ind AS 107 – Financial Instruments Disclosures
- Ind AS 109 – Financial Instrument
- Ind AS 115 – Revenue from Contracts with Customers
- Ind AS 1 – Presentation of Financial Statements
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12 – Income Taxes
- Ind AS 34 – Interim Financial Reporting

The Company does not expect the consequential amendments to have any significant impact in its financial statements.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Unrivalled Infrastructure Private Limited MUMBAI

UNRIVALLED INFRASTRUCTURE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

4. CAPITAL WORK IN PROGRESS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work in progress (Refer below note)	12.29	12.29
Total	**12.29**	**12.29**

Notes:

(i) Capital work in progress ageing:

(Rupees in Lakhs)

Project in progress	As at March 31, 2023	As at March 31, 2022
Less than 1 year	-	12.29
1 to 2 years	12.29	-
2 to 3 years	-	-
More than 3 years	-	-
Total	**12.29**	**12.29**

(ii) Expenditure for construction of warehouse during the year is Rs. Nil (March 31 2022: Rs. 12.29 Lakhs)

5. CASH AND CASH EQUIVALENTS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with bank in current account	0.29	0.31
Total	**0.29**	**0.31**

6. OTHER CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Balances with Government Authorities	0.05	0.05
Total	**0.05**	**0.05**

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Unrivalled Infrastructure Private Limited MUMBAI

UNRIVALLED INFRASTRUCTURE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

7. EQUITY SHARE CAPITAL

i. Authorised Share Capital

Particulars	Number	Amount (Rupees in Lakhs)
Equity Shares of Rupees 10 each		
As at March 31, 2022	10,000	1.00
As at March 31, 2023	10,000	1.00

Terms/rights 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.

ii. Issued subscribed and paid up equity shares

Particulars	Number	Amount (Rupees in Lakhs)
Equity shares of Rupees 10 each issued, subscribed and fully paidup		
As at March 31, 2022	10,000	1.00
As at March 31, 2023	10,000	1.00

iii. Rights, Preferences and restrictions attached to equity shares

The Company has only one class of shares, namely, 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.

iv. Shares held by Holding Company

Out of equity shares issued by the Company, shares held by its Holding Company are as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Arshiya Limited		
No. of Equity shares	10,000	10,000
Percentage Holding	100%	100%

v. Shareholding of Promoters

Promoter Name	As at March 31, 2023	As at March 31, 2022	% Change during the year
Arshiya Limited			
No. of Equity shares	10,000	10,000	-
Percentage Holding	100%	100%	-

vi. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% holding	Number	% Holding
Arshiya Limited (Holding Company)	9,900	100%	9,900	100%
Shares held with Nominee shareholder	100		100	

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Unrivalled Infrastructure Private Limited MUMBAI

UNRIVALLED INFRASTRUCTURE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

8. OTHER EQUITY

Reserves and Surplus

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	(2.97)	(1.64)
Total	**(2.97)**	**(1.64)**

Retained Earnings

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(1.64)	(1.07)
Loss for the year	(1.33)	(0.57)
Other Comprehensive Income (OCI)	-	-
Closing balance	**(2.97)**	**(1.64)**

Nature & purpose of reserves

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

9. BORROWINGS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Borrowings		
Loan from Holding Company* (Refer Note 16)	4.78	3.10
Total	**4.78**	**3.10**

Note:
* Inter corporate unsecured loan from Parent Company is interest free and payable on end of tenure.

10. TRADE PAYABLES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Micro and Small Enterprises (Refer note below A)	-	-
Others	0.30	0.55
Total	**0.30**	**0.55**

Notes:
(A) 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.

(B) Trade payable ageing schedule:
Outstanding for followings from due date of payment

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Micro and Small Enterprises		
Not Due	-	-
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Micro and Small Enterprises	**-**	**-**
Other than micro enterprises and small enterprises		
Not Due	0.24	0.25
Less than 1 year	0.06	0.30
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Other than micro enterprises and small enterprises	**0.30**	**0.55**
Disputed		
Micro and Small Enterprises	-	-
Other than micro enterprises and small enterprises	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

11. OTHER FINANCIAL LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Creditors for Capital Goods	8.37	8.37
Total	**8.37**	**8.37**

12. OTHER CURRENT LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues (Tax deducted at Source)	0.93	1.23
Interest on Statutory Liabilities	0.22	0.04
Total	**1.15**	**1.27**

Unrivalled Infrastructure Private Limited MUMBAI

CHATURVEDI & SHAH LLP CHARTERED ACCOUNTANTS MUMBAI

UNRIVALLED INFRASTRUCTURE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

13. FINANCE COSTS

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Delayed Payment of Statutory Dues	0.18	0.04
Total	**0.18**	**0.04**

14. OTHER EXPENSES

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payments to Auditors (Refer note below)	0.25	0.25
Legal and professional fees	0.06	0.05
Rates and taxes	0.77	0.05
Miscellaneous Expenses	0.07	0.18
Total	**1.15**	**0.53**

Note : Payments to Auditors

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As Auditor		
Audit Fees	0.25	0.25
Total	**0.25**	**0.25**

15. EARNINGS PER EQUITY SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit available to equity shareholders		
Loss after tax (A) (Rupees in Lakhs)	(1.33)	(0.57)
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)	10,000	10,000
Basic & Diluted earnings per share(A/B) (Rs.)	(13.30)	(5.70)
Nominal Value of an equity share (Rs.)	10.00	10.00

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Unrivalled Infrastructure Private Limited MUMBAI

UNRIVALLED INFRASTRUCTURE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

16. 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	% of equity interest
Arshiya Limited	Holding Company	100%

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

(Rupees in Lakhs)

Name	Nature of Transactions	As at March 31, 2023	As at March 31, 2022
Loans from related parties			
Arshiya Limited	Beginning of the year	3.10	-
	Add: Loans received	1.88	3.10
	Less: Loan repayments made	(0.20)	-
	End of the year	**4.78**	**3.10**

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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UNRIVALLED INFRASTRUCTURE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

17. SEGMENT REPORTING

There is no separate reportable segments (Business/ geographical), as per requirement of Ind AS 108 "Operating Segment".

18. 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 **(Rupees in Lakhs)**

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
FINANCIAL ASSETS				
Amortised cost				
Cash and Cash Equivalents	0.29	0.31	0.29	0.31
Total	**0.29**	**0.31**	**0.29**	**0.31**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	4.78	3.10	4.78	3.10
Trade Payables	0.30	0.55	0.30	0.55
Other financial liabilities	8.37	8.37	8.37	8.37
Total	**13.45**	**12.02**	**13.45**	**12.02**

19. FINANCIAL RISK MANAGEMENT

The Company's activities expose to credit risk and liquidity risk .

(a) Credit risk
Credit risk arises from cash and cash equivalent and other financial assets are carried at amortised cost.

(b) Liquidity risk
The Company is not exposed to any significant liquidity risk.

20. 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 working 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.

21. KEY FINANCIAL RATIOS

Particulars	As at March 31, 2023	As at March 31, 2022	% Changes	Reason for deviation
(i) Current Ratio	0.02	0.03	-14.03%	
(ii) Debt Equity Ratio	(2.43)	(4.84)	-49.91%	Debt Equity Ratio increased due to current borrowings availed by the Company.
(iii) Return on Equity Ratio	-101.92%	-160.56%	36.53%	Return on Equity Ratio is decreased due to accumulated losses.
(iv) Return on Capital Employed	-40.93%	-21.54%	-89.96%	Return of Capital Employed decreased due to increased in debts and accumulated losses.
(v) Trade Receivables Turnover Ratio	-	-	-	

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Unrivalled Infrastructure Private Limited MUMBAI

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022	% Changes	Reason for deviation
(vi) Trade Payables Turnover Ratio	2.71	1.33	104.22%	Trade Payable Turnover Ratio increased due to increased in other expenses.
(vii) Net Capital Turnover Ratio	-	-	-	
(viii) Net Profit Ratio	-	-	-	
(ix) Debt Service Coverage Ratio	-	-	-	
(x) Inventory Turnover Ratio	-	-	-	
(xi) Return on Investment	-	-	-	

Ratios	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities
Debt Equity Ratio	Total Debts	Total Equity
Return on Equity Ratio	Net Profit after tax	Average Total Equity [(Opening Equity Share capital + Opening Other equity+Closing Equity Share Capital+Closing Other Equity)/2
Return on Capital Employed	Profit Before interest & Tax	Total Equity + Total Debts
Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivable (Opening balance + closing balance) /2
Trade Payables Turnover Ratio	Other expenses	Average trade payables (Opening balance + closing balance) /2
Net Capital Turnover Ratio	Revenue from operations	Working Capital (Current assets - Current liabilities)
Net Profit Ratio	Net profit after tax	Revenue from operations
Debt Service Coverage Ratio	Earnings available for debt service (Net profit after tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost & lease payment + principle repayment of long term borrowings during the year
Inventory Turnover Ratio	Revenue from operations	Average Inventory (opening balance+ closing balance)/2
Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank

22. TAXATION

22.1 Tax Reconciliation **(Rupees in Lakhs)**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Reconciliation of tax expense		
Loss before tax	(1.33)	(0.57)
Enacted income tax rate (%) applicable to the Company	26.00%	26.00%
Tax expenses calculated at enacted income tax rate	(0.35)	(0.15)
Effect of expenses that are not deductible in determining taxable profit	0.05	0.01
Effect of unused Tax Losses	(0.30)	(0.14)
Income tax expense recognised in statement of profit and loss	-	-

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

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

(Rupees in Lakhs)

Assessment Year	Business Loss	Available for utilisation till
2019-2020	0.26	A.Y. 2027-2028
2020-2021	0.45	A.Y. 2028-2029
2021-2022	0.36	A.Y. 2029-2030
2022-2023	0.53	A.Y. 2030-2031
2023-2024	1.15	A.Y. 2031-2032
Total	**2.75**	

Unused deferred tax assets as at March 31, 2023 amounting to Rs. 0.72 Lakh (March 31, 2022 - Rs. 0.42 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilised by the Company.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Unrivalled Infrastructure Private Limited MUMBAI

UNRIVALLED INFRASTRUCTURE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

23. CONTINGENT LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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.

24. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital and other accounts and not provided for (net of advances paid) are Rs. 55.74 Lakh (March 31, 2022: Rs. 55.74 Lakh).

25. OTHER STATUTORY INFORMATION

(a) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(c) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(d) There are no transactions and outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act,1956.

26. Previous year's figures have been regrouped / rearranged wherever necessary to comply with requirement of Ind AS and Schedule III.

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

Vijay Napawaliya
Partner
Membership Number 109859

Place: Mumbai
Date: May 29, 2023

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Unrivalled Infrastructure Private Limited

Navnit Choudhary
Director
DIN : 00613576

Ashutosh Sharma
Director
DIN : 00679252

Unrivalled Infrastructure Private Limited ★ MUMBAI

ORIGINAL

Independent Auditor's Report

To,
The Members of
Arshiya Distribution Hub Private Limited

Report on the financial statements

Opinion

We have audited the accompanying financial statements of **Arshiya Distribution Hub Private Limited** ("the Company") which comprise the balance sheet as at 31st March, 2023, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows 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, 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 Act read with the Companies (Indian Accounting Standards) Rule, 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, 2023, and its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. 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 ("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 ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

As stated in Note no. 2 Arshiya Group ("the Group"), of which the Company is a part, is unable to pay its dues to operational and financial creditors and has defaulted in repayment of dues to lenders and lenders have started recovery proceedings. Further, some of the lenders have even called back their loans, lenders have classified Group's borrowing as NPA, current liabilities of the Group exceeded its current assets, unpaid statutory dues of the Group, operational and financial creditors have applied before National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016. Various companies in the Group, Group also received notice under SARFAESI from EARC (Edelweiss Asset Reconstruction Company) Trust for certain borrowings, to discharge its liabilities failing which they will realize the amount by enforcing securities on secured assets. These matters (including other matters as stated out in the notes to the consolidated financial statements of the Group), indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern.

The matters at the group level cast an impact on the going concern assumption of the Company as well its ability to commence commercial operations of the Company. The management as a developer of the business is confident that monetization will happen periodically and staggered but significant payments will be received to streamline the cash flows and thus the management has prepared the consolidated financial statements on going concern basis. The said assumption of going concern is dependent upon the Group's ability to monetize its assets in timely manner, successful negotiation with its lenders for settlement of debt obligations and its ability to generate cashflows to meet its obligations. Considering the same, the accounts of the entity have also been prepared on going concern basis.

N.A. SHAH ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

Independent Auditor's Report (Contd.)

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 information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and make other appropriate reporting as prescribed.

Management's Responsibilities 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time. 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 statement 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent Auditor's Report (Contd.)

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 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 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.

Other Matters

The figures for the year ended 31st March, 2022 are based on the previously issued annual Ind AS financial statement that were audited by the erstwhile auditors whose report dated 27th May, 2022, expressed unmodified opinion.

Our opinion is not modified with respect to the above matters.

N. A. SHAH ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

Independent Auditor's Report (Contd.)

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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) 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, Statement of Changes in Equity and the Statement of Cash Flows 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 prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023, 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 B". 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:

      In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid / provided by the Company to its directors during the year hence the provisions of section 197 of the Act is not applicable; and

   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 pending litigations which would impact its financial position in its financial statements.

      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.

      iv. The management has represented to us that,

         a) no funds have been advanced or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of Ultimate Beneficiaries.



Independent Auditor's Report (Contd.)

b) no funds have been received by the Company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the representations under sub-clause (iv) given by the management contain any material misstatement.

v. The Company has not declared or paid dividend during the year. Hence our comments on compliance with section 123 of the Companies Act, 2013 does not arise.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Prashant Daftary
Partner
Membership No. 117080

UDIN: 23117080BGWPVZ8085

Place: Mumbai
Date: 30th May, 2023

Arshiya Distribution Hub Private Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 2(g) under the heading "Report on other legal and regulatory requirements" of our report of even date]

i. The Company does not have Property, Plant and Equipment therefore reporting under clause (i) (a), (b), (c) and (d) of paragraph 3 of the Order is not applicable to the Company.

e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, reporting under clause (i)(e) of paragraph 3 of the Order is not applicable to the Company.

ii. In respect of inventories:

a) The Company's business does not involve holding of any inventories. Therefore, reporting under clause (ii)(a) of paragraph 3 of the Order relating to inventory is not applicable to the Company.

b) In our opinion and according to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable to the Company.

iii. During the year the Company has not made investments in, provided any guarantee or security or granted any loans or advance in the nature of loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or any other parties. Therefore, reporting under clause (iii) (a), (b), (c), (d), (e), (f) of paragraph 3 of the Order is not applicable to the Company.

iv. According to the information and explanation given to us, the Company has not granted any loan or given any guarantee or provided any security to any of its directors or any person connected to directors which attracts the provisions of section 185 of the Act from the date when it became effective. The Company has not granted any loan, made investment, given any guarantee or provided securities from the date when this section become effective for which compliance under section 186 of the Act is required. In view of the above, our comment on compliance of Section 185 and 186 of the Act is not required.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the rules framed there under. We have been informed that no order relating to Company 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. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act for the goods and services rendered by the Company. Accordingly, reporting under clause (vi) of paragraph 3 of the Order is not applicable to the Company.

vii. In respect of statutory dues:

a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including income tax and any other statutory dues, as applicable to the Company, during the period with the appropriate authorities. According to the information and explanation given to us and based on our examination, there are no undisputed amounts payable in respect of statutory dues outstanding as at 31st March 2023 for more than six months from the date they become payable.



Arshiya Distribution Hub Private Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 2(g) under the heading "Report on other legal and regulatory requirements" of our report of even date]

b) According to the records of the Company and information and explanations given to us, there are no statutory dues referred in clause (vii)(a) above which have not been deposited with appropriate authorities on account of any dispute

viii. According to the information and explanations given to us and based on the procedures carried out during the course of our audit, we have not come across any transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. In respect of Borrowing:

a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of paragraph 3 the Order is not applicable.

b) According to information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender. Therefore, clause (ix)(b) of paragraph 3 of the Order is not applicable to the Company.

c) The Company has not obtained any term loans during the year and there are no outstanding term loans at the beginning of the year. Therefore, clause (ix) (c) of paragraph 3 of the Order is not applicable.

d) According to the information and explanations given to us, the audit procedures performed by us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long term purposes by the Company.

e) The Company does not have any subsidiaries, associate companies or joint ventures. Therefore, reporting under clause (ix)(e) and (f) of paragraph 3 of the Order is not applicable to the Company.

x. In respect of issue of shares:

a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year ended 31st March, 2023. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.

b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable to the Company.

xi. In respect of Fraud:

a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

b) No report under section 143(12) of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.



Arshiya Distribution Hub Private Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 2(g) under the heading "Report on other legal and regulatory requirements" of our report of even date]

c) As represented to us by the management, there have been no whistleblower complaints received by the Company during the year.

xii. The Company is not a Nidhi company. Therefore, reporting under clause (xii)(a), (xii)(b) and (xii)(c) of paragraph 3 of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required under Ind AS 24 "Related Party Disclosure", (refer Note no. 11 of the Ind AS financial statements) specified under Section 133 of the Act. Section 177 of the Act is not applicable to the Company.

xiv. As per section 138 of the Act, the Company does not have to appoint an internal auditor, therefore, clause (xiv) (a), (b) of paragraph 3 of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with director. Therefore, reporting under clause (xv) of paragraph 3 the Order is not applicable to the Company.

xvi. In respect of registration under section 45-IA of the Reserve Bank of India Act, 1934:

a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) of paragraph 3 of the Order is not applicable to the Company.

b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Therefore, reporting under clause (xvi)(b) of paragraph 3 of the Order is not applicable to the Company.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, reporting under clause (xvi)(c) of paragraph 3 of the Order is not applicable to the Company.

d) As per information & explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Therefore, reporting under clause (xvi)(d) of paragraph 3 of the Order is not applicable to the Company.

xvii. According to the information and explanations given to us, the Company has incurred cash losses in the current financial year amounting to Rs. 0.33 lakhs and in the immediately preceding financial year amounting to Rs. 0.28 lakhs.

xviii. During the year, there has been a change in auditors on account of completion of the term. This change is not considered to be a resignation and therefore, reporting under clause (xviii) of paragraph 3 of the Order is not applicable. Further, there were no issues, objections or observations which were raised by the erstwhile auditors.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, we believe that material uncertainty exists as regards going concern on account of issues at the Group level (Refer Note no. 2). However based on the information and explanations provided to us as regards ongoing negotiations with the lenders,



Arshiya Distribution Hub Private Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 2(g) under the heading "Report on other legal and regulatory requirements" of our report of even date]

the accounts of the group as well as the company are being prepared on going concern basis. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, provisions of Section 135 of the Act are not applicable to the Company. Therefore, reporting under clause (xx) of paragraph 3 of the Order is not applicable to the Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Prashant Daftary
Partner
Membership No. 117080

UDIN: 23117080BGWPVZ8085

Place: Mumbai
Date: 30th May, 2023

Arshiya Distribution Hub Private Limited
Annexure B to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 2(g) under the heading "Report on other legal and regulatory requirements" of our report of even date]

Report on internal financial control under section 143(3)(i) of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of **Arshiya Distribution Hub Private Limited** ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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, 2023, 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 (the "ICAI").

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 (the "Guidance Note") 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 Act.

Auditor's 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 and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 judgment, 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.



Arshiya Distribution Hub Private Limited
Annexure B to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 2(g) under the heading "Report on other legal and regulatory requirements" of our report of even date]

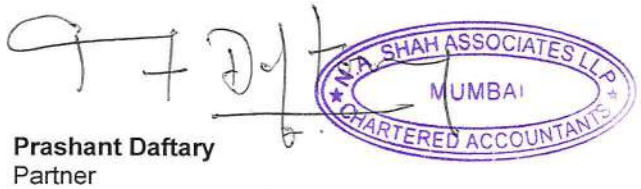
Meaning of Internal Financial Controls over Financial Reporting

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. The 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 and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the 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.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149



Prashant Daftary
Partner
Membership No. 117080

UDIN: 23117080BGWPVZ8085

Place: Mumbai
Date: 30th May, 2023

ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Current assets			
(a) Financial Assets			
Cash and Cash Equivalents	5	0.90	0.97
Total Current Assets		**0.90**	**0.97**
TOTAL ASSETS		**0.90**	**0.97**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	6	1.00	1.00
(b) Other Equity	7	(0.61)	(0.28)
Total Equity		**0.39**	**0.72**
Liabilities			
Current Liabilities			
(a) Financial Liabilities			
Other Financial Liabilities	8	0.51	0.25
Total Current Liabilities		**0.51**	**0.25**
TOTAL EQUITY AND LIABILITIES		**0.90**	**0.97**

See accompanying notes 1-18 to the financial statements

As per our Report of even date

For **N. A. Shah Associates LLP**
Chartered Accountants
Firm Reg.No.116560W/W100149

Prashant Daftary
Partner
Membership Number 117080

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors
Arshiya Distribution Hub Private Limited

Navnit Choudhary
Director
DIN : 00613576

Sarvothama Shetty
Director
DIN : 08171762

ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED

ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Notes	Year ended March 31, 2023	Period from July 02, 2021 to March 31, 2022
(I) Income			
Revenue from operations		-	-
(II) Total Income		-	-
(III) Expenses			
Other expenses	9	0.33	0.28
(IV) Total Expenses		**0.33**	**0.28**
(V) Loss before tax (II-IV)		**(0.33)**	**(0.28)**
(VI) Tax expense:	17		
Current tax		-	-
Deferred tax		-	-
Loss for the year/period		**(0.33)**	**(0.28)**
Other Comprehensive Income (OCI)			
Item not to be reclassified to profit and loss		-	-
Total Comprehensive Income for the period		**(0.33)**	**(0.28)**
(VII) Earnings per equity share (Face Value Rupees 10 each)			
Basic and Diluted	10	(3.30)	(2.80)

See accompanying notes 1-18 to the financial statements

As per our Report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Reg.No.116560W/W100149

Prashant Daftary
Partner
Membership Number 117080

Place: Mumbai
Date: May 30, 2023

N.A. SHAH ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Distribution Hub Private Limited

Navnit Choudhary
Director
DIN : 00613576

Sarvothama Shetty
Director
DIN : 08171762

ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED

ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A Equity Share Capital

Particulars	(Rupees in Lakhs)
Equity Shares of Rs. 10 each issued, subscribed and paid up	
Issued during the year	1.00
As at March 31, 2022	1.00
Issued during the year	-
As at March 31, 2023	1.00

B Other Equity

(Rupees in Lakhs)

Particulars	Retained Earnings	Total
As at March 31, 2021	-	-
Loss for the period	(0.28)	**(0.28)**
Other comprehensive income	-	-
As at March 31, 2022	**(0.28)**	**(0.28)**
Loss for the period	(0.33)	**(0.33)**
Other comprehensive income	-	-
As at March 31, 2023	**(0.61)**	**(0.61)**

C Total Equity

(Rupees in Lakhs)

Particulars	Total
As at March 31, 2022	0.72
As at March 31, 2023	0.39

See accompanying notes 1-18 to the financial statements

As per our Report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Reg.No.116560W/W100149

Prashant Daftary
Partner
Membership Number 117080

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Distribution Hub Private Limited

Navnit Choudhary
Director
DIN : 00613576

Sarvothama Shetty
Director
DIN : 08171762

ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED

Place: Mumbai
Date: May 30, 2023

ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Period from July 02, 2021 to March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before Tax	**(0.33)**	**(0.28)**
Operating loss before working capital changes	**(0.33)**	**(0.28)**
Changes in working capital:		
Increase in other financial liabilities	0.26	0.25
Cash used in operations	**(0.07)**	**(0.03)**
Net cash flow from operating activities	**(0.07)**	**(0.03)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issues of shares	-	1.00
Net cash generated from financing activities	**-**	**1.00**
Net increase in cash and cash equivalents **(A+B)**	(0.07)	0.97
Cash and Cash Equivalents at the beginning of the financial year	0.97	-
Cash and cash equivalents at the end of the year (Refer Note No. 4)	**0.90**	**0.97**

Notes:

1. Bracket indicates cash outflow.
2. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flow.

See accompanying notes 1-18 to the financial statements

As per our Report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Reg.No.116560W/W100149

Prashant Daftary
Partner
Membership Number 117080

Place: Mumbai
Date: May 30, 2023

N.A. SHAH ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Distribution Hub Private Limited

Navnit Choudhary
Director
DIN : 00613576

Sarvothama Shetty
Director
DIN : 08171762

ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED

ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 CORPORATE INFORMATION

ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED (CIN: U45203MH2021PTC363169) 'the Company', was incorporated on July 02, 2021 is engaged in the business of Free Trade and Warehousing Zone (FTWZ) and services along with development, operations and maintenance of FTWZ and unified supply chain and integrated logistics infrastructure solution provider. The registered office of the Company is located at 205 & 206 (Part), 2nd Floor, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai City Maharashtra 400018.

The financial statements of the Company for the year ended March 31, 2023 were approved and adopted by board of directors in their meeting held on May 30, 2023.

2 BASIS OF PREPARATION:

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs ("MCA") pursuant to the Section 133 of the Companies Act, 2013 ("the Act") read with 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 and on accrual basis except for certain financial assets and liabilities, which are measured at fair value / amortised cost. The Financial Statements are in accordance with Division II of Schedule III to the Act, as applicable to the Company.

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

The matters at the Arshiya Group ("the Group") level cast an impact on the going concern assumption of the Company as well its ability to commence commercial operations of the Company. The management as a developer of the business is confident that monetization will happen periodically and staggered but significant payments will be received to streamline the cash flows and thus the management has prepared the consolidated financial statements of the Group on going concern basis. The said assumption of going concern is dependent upon the Group's ability to monetize its assets in timely manner, successful negotiation with its lenders for settlement of debt obligations and its ability to generate cashflows to meet its obligations. Considering the same, the accounts of the entity have also been prepared on going concern basis.

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, any cost directly attributable to the bringing the assets to its working condition for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset.

Cost for subsequent additions comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditures are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

The Company identifies and determines cost of each component / part of the plant and equipment separately, if the component / part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

Pre-operation expenses and borrowing cost directly attributable to the cost of construction of the qualifying asset are treated as part of the project cost and are capitalized / allocated to the cost of asset in the year in which the project is completed. Administrative and other expenses which are not directly related to construction are charged to statement of profit and loss.

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.

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.

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.

3.3 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.

N.A. SHAH ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED

3.4 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. higher of fair value of assets less cost of disposal 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. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

3.5 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.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

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
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.

Impairment of financial assets

The Company recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and 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 and equity instruments - Initial recognition and measurement:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into 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 the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

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Financial liabilities - Subsequent measurement:
Trade and other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

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.

3.6 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. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made. 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.

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

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring 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.

The following are the specific revenue recognition criteria:

(i) 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.

(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.

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.

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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:

All employee benefits falling due wholly within twelve months after the end of the reporting period are classified as short-term employee benefits and they are recognised as an expense at the undiscounted amount in the statement of profit and loss in the period in which the employee renders the related service.

(a) Defined Contribution Plan

The Company contributes fixed contribution to a government administered fund towards Provident Fund, Labour Welfare Fund, and Employee State Insurance Scheme and will have no legal or constructive obligation to pay further contribution.
The Company's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

(b) Defined Benefit Plan

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

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

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

3.12 Taxes on Income

Income tax expense represents the sum of current tax, deferred tax or credit and adjustments of taxes for earlier years that may become necessary due to certain developments or reviews during the relevant period. In respect of amounts adjusted outside the statement of profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted in other comprehensive income or in equity and not in the statement of profit and loss.

Current Tax

Provision for current tax is made as per the provisions of Income Tax Act, 1961. 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 applicable. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are 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 tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment 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 taxation authority.
Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits.
Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date. At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

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 expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity 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 / (loss) for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit / (loss) for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, share split, etc.

3.15 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.

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.

3.16 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.

3.17 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.

3.18 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.

3.19 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.

3.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) 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.

3.21 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.

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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 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.

4.2 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.

4.3 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.

4.4 Fair value measurement of financial instruments :

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

4.5 Recent Accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023

- **Ind AS 1 – Preparation of Financial Statements**

The Companies should now disclose "Material Accounting Policies" rather than "Significant Accounting Policies". Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

- **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:
(a) Selection of a measurement technique (estimation or valuation technique)
(b) Selecting the inputs to be used when applying the chosen measurement technique

- **Ind AS 12 – Income Taxes**

Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Application of above standards are not expected to have any significant impact on the Company's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

5. CASH AND CASH EQUIVALENTS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with bank in current account	0.90	0.97
Total	**0.90**	**0.97**

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6. EQUITY SHARE CAPITAL

i. Authorised Share Capital

Particulars	Equity Share of Rs.10 each	
	Number	Amount (Rs. In Lakhs)
As at March 31, 2022	10,000	1.00
As at March 31, 2023	10,000	1.00

Terms/rights 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.

ii. Issued subscribed and paid up equity shares

Particulars	Number	Amount (Rs. In Lakhs)
Equity shares of Rupees 10 each issued, subscribed and fully paidup		
As at March 31, 2022	10,000	1.00
As at March 31, 2023	10,000	1.00

iii. Rights, Preferences and restrictions attached to equity shares

The Company has only one class of shares, namely, 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.

iv. Shares held by Holding Company

Out of equity shares issued by the Company, shares held by its Holding Company are as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Arshiya Logistics Services Limited		
No. of Equity shares	10,000	10,000
Percentage Holding	100%	100%

v. Shareholding of Promoters

Promoter Name	As at March 31, 2023	As at March 31, 2022
Arshiya Logistics Services Limited		
No. of Equity shares	10,000	10,000
Percentage Holding	100%	100%
% Change during the year	0%	0%

vi. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% Holding	Number	% Holding
Arshiya Logistics Services Limited	9,900	100%	9,900	100%
Shares held with jointly shareholder	100		100	

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7. OTHER EQUITY

Reserves and Surplus

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	(0.61)	(0.28)
Total	**(0.61)**	**(0.28)**

Retained Earnings

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(0.28)	
Loss for the year/period	(0.33)	(0.28)
Other Comprehensive Income (OCI)	-	-
Closing balance	**(0.61)**	**(0.28)**

Nature & purpose of reserves

Retained Earnings:

Retained earnings are the losses of the Company earned till date net of appropriations.

8. OTHER FINANCIAL LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Payables for expenses	0.51	0.25
Total	**0.51**	**0.25**

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9. OTHER EXPENSES

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Period from July 02, 2021 to March 31, 2022
Payments to Auditors (Refer note below)	0.25	0.25
Miscellaneous Expenses	0.08	0.03
Total	**0.33**	**0.28**

Note : Payments to Auditors

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Period from July 02, 2021 to March 31, 2022
As Auditor		
Audit Fees	0.25	0.25
Total	**0.25**	**0.25**

10. EARNINGS PER EQUITY SHARE

Particulars	Year ended March 31, 2023	Period from July 02, 2021 to March 31, 2022
Profit available to equity shareholders		
Loss after tax (A) (Rupees in Lakhs)	(0.33)	(0.28)
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)	10,000	10,000
Basic & Diluted earnings per share(A/B) (Rs.)	(3.30)	(2.80)
Nominal Value of an equity share (Rs.)	10.00	10.00

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11. 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	% of equity interest
Arshiya Limited	Ultimate Holding Company	
Arshiya Logistics Services Limited	Holding Company	100%

(ii) Key managerial personnel

Mr. Navnit Choudhary - Director
Mr. Sarvothama Shetty - Director

(iii) The nature and amount of transactions with the above related party are as follows

(Rupees in Lakhs)

Name	Nature of Transactions	Year ended March 31, 2023	Period from July 02, 2021 to March 31, 2022
Loans from Ultimate Holding Company			
Arshiya Limited	**Begining of the year**	-	-
	Loan received	0.06	-
	Loan repayment	(0.06)	-
	End of the year	-	-

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12. SEGMENT REPORTING

There is no separate reportable segments (Business/ geographical), as per requirement of Ind AS 108 "Operating Segment".

13. 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 **(Rupees in Lakhs)**

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
FINANCIAL ASSETS				
Amortised cost				
Cash and Cash Equivalents	0.90	0.97	0.90	0.97
Total	**0.90**	**0.97**	**0.90**	**0.97**
FINANCIAL LIABILITIES				
Amortised cost				
Other financial liabilities	0.51	0.25	0.51	0.25
Total	**0.51**	**0.25**	**0.51**	**0.25**

14. FINANCIAL RISK MANAGEMENT

The Company's activities expose to credit risk and liquidity risk .

(a) Credit risk
Credit risk arises from cash and cash equivalent and other financial assets are carried at amortised cost.

(b) Liquidity risk
The Company is not exposed to any significant liquidity risk.

15. 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 working 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.

16. KEY FINANCIAL RATIOS

Particulars	As at March 31, 2023	As at March 31, 2022	Variation	Reason for deviation
(i) Current Ratio	1.76	3.88	-54.52%	Primarily on account of increase in payables
(ii) Debt Equity Ratio*	-	-	-	
(ii) Return on Equity Ratio**	-	-	-	
(iv) Return on Capital Employed*	-	-	-	
(v) Trade Receivables Turnover Ratio***	-	-	-	
(vi) Trade Payables Turnover Ratio	0.87	1.12	-22.46%	Primarily on account of increase in average payables
(vii) Net Capital Turnover Ratio***	-	-	-	
(viii) Net Profit Ratio***	-	-	-	
(ix) Debt Service Coverage Ratio#	-	-	-	
(x) Inventory Turnover Ratio***	-	-	-	
(xi) Return on Investment@	-	-	-	

** Debt- Equity Ratio and Return on Capital employed is not applicable as equity is negative.*
*** Return on equity Ratio is not applicable due to loss in both years*
****Not applicable as the Company has no revenue*
#Not applicable as the Company has no finance cost
@Not applicable as the Company has no investments

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Ratios	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities
Debt Equity Ratio	Total Debts	Total Equity
Return on Equity Ratio	Net Profit after tax	Average Total Equity [(Opening Equity Share capital + Opening Other equity+Closing Equity Share Capital+Closing Other Equity)/2
Return on Capital Employed	Profit Before interest & Tax	Total Equity + Total Debts
Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivable (Opening balance + closing balance) /2
Trade Payables Turnover Ratio	Other expenses	Average trade payables (Opening balance + closing balance) /2
Net Capital Turnover Ratio	Revenue from operations	Working Capital (Current assets - Current liabilities)
Net Profit Ratio	Net profit after tax	Revenue from operations
Debt Service Coverage Ratio	Earnings available for debt service (Net profit after tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost & lease payment + principle repayment of long term borrowings during the year
Inventory Turnover Ratio	Revenue from operations	Average Inventory (opening balance+ closing balance)/2
Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank

17. TAXATION

17.1 Tax Reconciliation

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Period from July 02, 2021 to March 31, 2022
Reconciliation of tax expense		
Loss before tax	(0.33)	(0.28)
Enacted income tax rate (%) applicable to the Company	26.00%	26.00%
Tax expenses calculated at enacted income tax rate	(0.09)	(0.07)
Effect of unused Tax Losses	0.09	0.07
Income tax expense recognised in statement of profit and loss	-	-

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

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

(Rupees in Lakhs)

Assessment Year	Business Loss	Available for utilisation till
2022-2023	0.28	A.Y. 2030-2031
2023-2024	0.33	A.Y. 2031-2032
Total	**0.61**	

Unused deferred tax assets as at March 31, 2023 amounting to Rs. 0.16 Lakh (March 31, 2022 - Rs. 0.07 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilised by the Company.

18. OTHER STATUTORY INFORMATION

(a) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(c) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(d) The Company do not have any transactions and balances with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

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ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED

(e) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(f) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) The Company does not have any pending creation of charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(h) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) Utilisation of borrowed funds as on March 31, 2023, there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(k) The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Reg.No.116560W/W100149

Prashant Daftary
Partner
Membership Number 117080

Place: Mumbai
Date: May 30, 2023

N.A. SHAH ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Distribution Hub Private Limited

Navnit Choudhary
Director
DIN : 00613576

Sarvothama Shetty
Director
DIN : 08171762

ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED

ORIGINAL

Independent Auditor's Report

To,
The Members of
Arshiya Technologies (India) Private Limited

Report on the financial statements

Opinion

We have audited the accompanying financial statements of **Arshiya Technologies (India) Private Limited** ("the Company") which comprise the balance sheet as at 31st March, 2023, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows 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, 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 Act read with the Companies (Indian Accounting Standards) Rule, 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, 2023, and its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. 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 ("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 ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

As stated in Note no. 22 of the financial statement, during the current year, the Company has incurred losses of Rs. 0.64 lakhs and accumulated losses as on 31st March, 2023 Rs. 17.78 lakhs and accordingly, the net-worth of the Company is fully eroded.

The Management believes that positive opportunities in logistics sectors will improve business prospects in future and hence, the management has prepared the financial statement on going concern basis.

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 information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

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

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Independent Auditor's Report (Contd.)

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and make other appropriate reporting as prescribed.

Management's Responsibilities 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time. 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 statement 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities 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 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 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 management.



Independent Auditor's Report (Contd.)

- 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.

Other Matters

The figures for the year ended 31st March, 2022 are based on the previously issued annual Ind AS financial statement that were audited by the erstwhile auditors whose report dated 27th May, 2022, expressed unmodified opinion.

Our opinion is not modified with respect to the above matters.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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) 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, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.



Independent Auditor's Report (Contd.)

e) The matters described in paragraph above under the Material Uncertainty Related to Going Concern, in our opinion, may have an adverse effect on the functioning of the Company.

f) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

h) 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:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid / provided by the Company to its directors during the year hence the provisions of section 197 of the Act is not applicable; and

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 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 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.

iv. The management has represented to us that,

a) no funds have been advanced or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company (Ultimate beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

b) no funds have been received by the Company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the above representations given by the management contain any material misstatement.

v. The Company has not declared or paid dividend during the year. Hence, our comments on compliance with section 123 of the Companies Act, 2013 does not arise.



Independent Auditor's Report (Contd.)

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149



Prashant Daftary
Partner
Membership No. 117080

UDIN: 23117080BGWPWA1944

Place: Mumbai
Date: 30th May, 2023

Arshiya Technologies (India) Private Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

i. The Company does not have Property, Plant and Equipment therefore reporting under clause (i) (a), (b), (c) and (d) of paragraph 3 of the Order is not applicable to the Company.

e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. In respect of inventories:

a) The Company's business does not involve holding of any inventories. Therefore, reporting under clause (ii)(a) of paragraph 3 of the Order relating to inventory is not applicable to the Company.

b) In our opinion and according to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable to the Company.

iii. During the year the Company has not made investments in, provided any guarantee or security or granted any loans or advance in the nature of loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or any other parties. Therefore, reporting under clause (iii) (a), (b), (c), (d), (e), (f) of paragraph 3 of the Order is not applicable to the Company.

iv. According to the information and explanation given to us, the Company has not granted any loan or given any guarantee or provided any security to any of its directors or any person connected to directors which attracts the provisions of section 185 of the Act from the date when it became effective. The Company has not granted any loan, made investment, given any guarantee or provided securities from the date when this section become effective for which compliance under section 186 of the Act is required. In view of the above, our comment on compliance of Section 185 and 186 of the Act is not required.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the rules framed there under. We have been informed that no order relating to Company 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. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act for the goods and services rendered by the Company. Accordingly, reporting under clause (vi) of paragraph 3 of the Order is not applicable to the Company.

vii. In respect of statutory dues:

a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including income tax during the period with the appropriate authority. According to the information and explanation given to us and based on our examination, there are no undisputed amounts payable in respect of statutory dues outstanding for more than six months from the date they become payable.

b) According to the records of the Company and information and explanations given to us, there are no statutory dues referred in clause (vii)(a) above which have not been deposited with appropriate authorities on account of any dispute.

N.A. SHAH ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

Arshiya Technologies (India) Private Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

viii. According to the information and explanations given to us and based on the procedures carried out during the course of our audit, we have not come across any transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. In respect of Borrowing:

a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. The borrowing from parent company is interest free.

b) According to information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender. Therefore, clause (ix)(b) of paragraph 3 of the Order is not applicable to the Company.

c) The Company has not obtained any term loans during the year and there are no outstanding term loans at the beginning of the year. Therefore, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long term purposes by the Company.

e) The Company does not have any subsidiaries, joint ventures or associate companies. Therefore, reporting under clause (ix)(e) and (f) of paragraph 3 of the Order is not applicable.

x. In respect of issue of shares:

a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year ended 31st March, 2023. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.

b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable to the Company.

xi. In respect of Fraud:

a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

b) No report under section 143(12) of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the management, there have been no whistleblower complaints received by the Company during the year.

xii. The Company is not a Nidhi company. Therefore, reporting under clause (xii)(a), (b) and (c) of paragraph 3 of the Order is not applicable to the Company.

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Arshiya Technologies (India) Private Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required under Ind AS 24 "Related Party Disclosure", (refer Note no. 13 of the Ind AS financial statements) specified under Section 133 of the Act. Section 177 of the Act is not applicable to the Company.

xiv. As per section 138 of the Act, the Company does not have to appoint an internal auditor, therefore, reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with directors. Therefore, clause (xv) of paragraph 3 the Order is not applicable.

xvi. In respect of registration under section 45-IA of the Reserve Bank of India Act, 1934:

a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) of paragraph 3 of the Order is not applicable to the Company.

b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Therefore, reporting under clause (xvi)(b) of paragraph 3 of the Order is not applicable to the Company.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, reporting under clause (xvi)(c) of paragraph 3 of the Order is not applicable to the Company.

d) As per information & explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Therefore, reporting under clause (xvi)(d) of paragraph 3 of the Order is not applicable to the Company.

xvii. According to the information and explanations given to us, the Company has incurred cash losses in the current financial year amounting to Rs. 0.64 lakhs and in the immediately preceding financial year amounting to Rs. 0.87 lakhs.

xviii. During the year, there has been a change in auditors on account of completion of the term. This change is not considered to be a resignation and therefore, reporting under clause (xviii) of paragraph 3 of the Order is not applicable to the Company. Further, there were no issues, objections or observations which were raised by the erstwhile auditors.

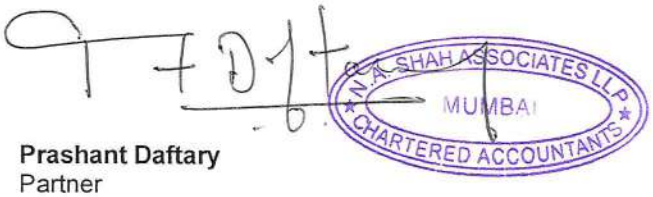
xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions and the matters specified under "Material Uncertainty Related to Going Concern" as reported in our audit report above, cause us to believe that material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



Arshiya Technologies (India) Private Limited
Annexure A to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

xx. According to the information and explanations given to us, provisions of Section 135 of the Act are not applicable to the Company. Therefore, reporting under clause (xx) of paragraph 3 of the Order is not applicable to the Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149



Prashant Daftary
Partner
Membership No. 117080

UDIN: 23117080BGWPWA1944

Place: Mumbai
Date: 30th May, 2023

Arshiya Technologies (India) Private Limited
Annexure B to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 2(g) under the heading "Report on other legal and regulatory requirements" of our report of even date]

Report on internal financial control under section 143(3)(i) of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of **Arshiya Technologies (India) Private Limited** ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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, 2023, 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 (the "ICAI").

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 (the "Guidance Note") 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 Act.

Auditor's 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 judgment, 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.

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Arshiya Technologies (India) Private Limited
Annexure B to the Independent Auditor's Report for the year ended 31st March, 2023
[Referred to in paragraph 2(g) under the heading "Report on other legal and regulatory requirements" of our report of even date]

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. The 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 and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the 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.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

N. A. SHAH ASSOCIATES LLP MUMBA CHARTERED ACCOUNTANTS

Prashant Daftary
Partner
Membership No. 117080

UDIN: 23117080BGWPWA1944

Place: Mumbai
Date: 30th May, 2023

ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Current assets			
(a) Financial Assets			
Cash and Cash Equivalents	5	0.42	0.42
Total Current Assets		**0.42**	**0.42**
TOTAL ASSETS		**0.42**	**0.42**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	6	10.12	10.12
(b) Other Equity	7	(17.78)	(17.14)
Total Equity		**(7.66)**	**(7.02)**
Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	7.61	6.48
(ii) Trade Payables	9		
Micro and Small Enterprises		-	-
Others		0.42	0.91
(b) Other Current Liabilities	10	0.05	0.05
Total Current Liabilities		**8.08**	**7.44**
TOTAL EQUITY AND LIABILITIES		**0.42**	**0.42**

See accompanying Notes 1 - 22 to the financial statements

As per our Report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Reg.No. 116560W / W100149

Prashant Daftary
Partner
Membership Number 117080

Place: Mumbai
Date: May 30, 2023

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Technologies (India) Private Limited

Sarvothama Shetty
Director
DIN : 08171762

Ashutosh Sharma
Director
DIN : 00679252

Arshiya Technologies (India) Private Limited Mumbai

ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
(I) Income			
Revenue from operations		-	-
(II) Total Income		-	-
(III) Expenses			
Other expenses	11	0.64	0.87
(IV) Total Expenses		**0.64**	**0.87**
(V) Loss before tax (II-IV)		**(0.64)**	**(0.87)**
(VI) Tax expense:	19		
Current tax		-	-
Deferred tax		-	-
Loss for the year		**(0.64)**	**(0.87)**
Other Comprehensive Income (OCI)			
Item not to be reclassified to profit and loss		-	-
Total comprehensive loss for the year		**(0.64)**	**(0.87)**
(VII) Earnings per equity share (Face Value Rupees 10 each)			
Basic and Diluted	12	(0.63)	(0.86)

See accompanying Notes 1 - 22 to the financial statements

As per our Report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Reg.No. 116560W / W100149

Prashant Daftary
Partner
Membership Number 117080

Place: Mumbai
Date: May 30, 2023

N.A. SHAH ASSOCIATES LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Technologies (India) Private Limited

Sarvothama Shetty
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Ashutosh Sharma
Director
DIN : 00679252

Arshiya Technologies (India) Private Limited ★ Mumbai

ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A Equity Share Capital

Particulars	Rupees in Lakhs
As at March 31, 2023	10.12
As at March 31, 2022	10.12

B Other Equity

(Rupees in Lakhs)

Particulars	Retained Earnings	Total
As at April 1, 2021	**(16.27)**	**(16.27)**
Loss for the year	(0.87)	**(0.87)**
Other comprehensive income	-	-
As at March 31, 2022	**(17.14)**	**(17.14)**
Loss for the year	(0.64)	**(0.64)**
Other comprehensive income for the year	-	-
As at March 31, 2023	**(17.78)**	**(17.78)**

C Total Equity

(Rupees in Lakhs)

Particulars	Total
As at March 31, 2023	(7.66)
As at March 31, 2022	(7.02)

See accompanying Notes 1 - 22 to the financial statements

As per our Report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Reg.No. 116560W / W100149

Prashant Daftary
Partner
Membership Number 117080

N.A. SHAH ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors
Arshiya Technologies (India) Private Limited

Sarvothama Shetty
Director
DIN : 08171762

Ashutosh Sharma
Director
DIN : 00679252

Arshiya Technologies (India) Private Limited * Mumbai

ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before Tax	**(0.64)**	**(0.87)**
Operating loss before working capital changes	**(0.64)**	**(0.87)**
Changes in working capital:		
Increase in trade payables	(0.49)	0.45
Increase in other current liabilities	-	0.01
Cash used in operations	**(1.13)**	**(0.41)**
Income taxes paid	-	-
Net cash flow used in operating activities (A)	**(1.13)**	**(0.41)**
B. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from short term borrowings (net)	1.13	0.59
Net cash generated from financing activities (B)	**1.13**	**0.59**
Net increase in cash and cash equivalents (A+B)	-	0.18
Cash and Cash Equivalents at the beginning of the year	0.42	0.24
Cash and cash equivalents at the end of the year (Refer Note No.4)	**0.42**	**0.42**

Change in liabilities arises from financing activities

Particulars	Current Borrowings
As at April 01, 2022	6.48
Less: Cash flow (net)	1.13
As at 31st March, 2023	**7.61**

Notes:

1. Bracket indicates cash outflow.
2. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flow.

See accompanying Notes 1 - 22 to the financial statements

As per our Report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Reg.No. 116560W / W100149

Prashant Daftary
Partner
Membership Number 117080

Place: Mumbai
Date: May 30, 2023

N. A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Technologies (India) Private Limited

Sarvothama Shetty
Director
DIN : 08171762

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Director
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Arshiya Technologies (India) Private Limited Mumbai

ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 CORPORATE INFORMATION

ARSHIYA DISTRIBUTION HUB PRIVATE LIMITED (CIN: U45203MH2021PTC363169) 'the Company', was incorporated on July 02, 2021 is engaged in the business of Free Trade and Warehousing Zone (FTWZ) and services along with development, operations and maintenance of FTWZ and unified supply chain and integrated logistics infrastructure solution provider. The registered office of the Company is located at 205 & 206 (Part), 2nd Floor, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai City Maharashtra 400018.

The financial statements of the Company for the year ended March 31, 2023 were approved and adopted by board of directors in their meeting held on May 30, 2023.

2 BASIS OF PREPARATION:

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs ("MCA") pursuant to the Section 133 of the Companies Act, 2013 ("the Act") read with 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 and on accrual basis except for certain financial assets and liabilities, which are measured at fair value / amortised cost. The Financial Statements are in accordance with Division II of Schedule III to the Act, as applicable to the Company.

The financial statements are presented in Indian Rs. (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, any cost directly attributable to the bringing the assets to its working condition for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset.

Cost for subsequent additions comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditures are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

The Company identifies and determines cost of each component / part of the plant and equipment separately, if the component / part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

Pre-operation expenses and borrowing cost directly attributable to the cost of construction of the qualifying asset are treated as part of the project cost and are capitalized / allocated to the cost of asset in the year in which the project is completed. Administrative and other expenses which are not directly related to construction are charged to statement of profit and loss.

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.

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.

3.3 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.

3.4 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. higher of fair value of assets less cost of disposal 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. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

3.5 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.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

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
b) Financial assets at amortised cost

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Arshiya Technologies (India) Private Limited * Mumbai

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.

Impairment of financial assets

The Company recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and 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 and equity instruments - Initial recognition and measurement:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into 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 the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities - Subsequent measurement:
Trade and other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

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.

3.6 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. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made. 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.





3.7 Revenue recognition

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

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring 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.

The following are the specific revenue recognition criteria:

(i) 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.

(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.

3.8 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.

3.9 Employee Benefits:

All employee benefits falling due wholly within twelve months after the end of the reporting period are classified as short-term employee benefits and they are recognised as an expense at the undiscounted amount in the statement of profit and loss in the period in which the employee renders the related service.

(a) Defined Contribution Plan

The Company contributes fixed contribution to a government administered fund towards Provident Fund, Labour Welfare Fund, and Employee State Insurance Scheme and will have no legal or constructive obligation to pay further contribution.
The Company's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

(b) Defined Benefit Plan

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

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

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

3.10 Taxes on Income

Income tax expense represents the sum of current tax, deferred tax or credit and adjustments of taxes for earlier years that may become necessary due to certain developments or reviews during the relevant period. In respect of amounts adjusted outside the statement of profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted in other comprehensive income or in equity and not in the statement of profit and loss.

Current Tax

Provision for current tax is made as per the provisions of Income Tax Act, 1961. 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 applicable. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are 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 tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

N.A. SHAH ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

Arshiya Technologies (India) Private Limited Mumbai

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 taxation authority.
Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits.
Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date. At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

3.11 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 expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity 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.

3.12 Earnings per share:
Basic earnings per share is computed using the net profit / (loss) for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

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

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, share split, etc.

3.13 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.

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.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

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3.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) 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.

3.19 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.

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 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.

4.2 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.

4.3 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.

4.4 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.

4.5 Recent Accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023

- **Ind AS 1 – Preparation of Financial Statements**

The Companies should now disclose "Material Accounting Policies" rather than "Significant Accounting Policies". Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

- **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:
(a) Selection of a measurement technique (estimation or valuation technique)
(b) Selecting the inputs to be used when applying the chosen measurement technique

- **Ind AS 12 – Income Taxes**

Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Application of above standards are not expected to have any significant impact on the Company's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

5. CASH AND CASH EQUIVALENTS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with bank in current account	0.42	0.42
Total	**0.42**	**0.42**

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6. EQUITY SHARE CAPITAL

i. Authorised Share Capital

Particulars	Number	Amount (Rupees in Lakhs)
Equity Shares of Rupees 10 each		
As At March 31, 2023	2,50,000	25.00
As At March 31, 2022	2,50,000	25.00

ii. Issued subscribed and paid up equity shares

Particulars	Number	Amount (Rupees in Lakhs)
Equity shares of Rupees 10 each issued, subscribed and fully paid up		
As At March 31, 2023	1,01,158	10.12
As At March 31, 2022	1,01,158	10.12

iii. Rights, Preferences and restrictions attached to equity shares

The Company has only one class of shares, namely, 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.

iv. Shares held by Holding Company

Out of equity shares issued by the Company, shares held by its Holding Company are as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Arshiya Limited		
No. of Equity shares	1,01,158	1,01,158
Percentage Holding	100%	100%

v. Shareholding of Promoters

Promoter Name	As at March 31, 2023	As at March 31, 2022	% Change during the year
Arshiya Limited			
No. of Equity shares	1,01,158	1,01,158	-
Percentage Holding	100%	100%	-

vi. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% Holding	Number	% Holding
Equity shares of Rupees 10 each fully paid				
Arshiya Limited (Holding Company)	1,00,958	100%	1,00,958	100%
Shares held with Nominee and jointly shareholders	200		200	

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7. OTHER EQUITY

Reserves and Surplus (Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	(17.78)	(17.14)
Total	**(17.78)**	**(17.14)**

Retained Earnings (Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(17.14)	(16.27)
Loss for the year	(0.64)	(0.87)
Other Comprehensive Income (OCI)	-	-
Closing balance	**(17.78)**	**(17.14)**

Nature & purpose of reserves

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

8. BORROWINGS

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Borrowings		
Loan from Holding Company * (Refer Note 12)	7.61	6.48
Total	**7.61**	**6.48**

Note:
*Unsecured Loan from Holding Company is interest free and payable on demand.

9. TRADE PAYABLES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Total outstanding dues of Micro, Small and Medium Enterprises (MSME)	-	-
Total outstanding dues of creditors other than MSME	0.42	0.91
Total	**0.42**	**0.91**

Notes:
(A) 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.

(B) Trade payable ageing schedule:
Outstanding for followings from due date of payment (Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
MSME		
Not Due	-	-
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total MSME	-	-
Other than MSME		
Not Due	0.40	0.89
Less than 1 year	0.02	0.02
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Other than MSME	**0.42**	**0.91**
Disputed		
MSME	-	-
Other than MSME	-	-

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

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) the principal amount remaining unpaid to any supplier at the end of financial year;	-	-
(ii) the interest due on above, remaining unpaid to any supplier at the end of financial year;	-	-
(iii) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during financial year;	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
(v) the amount of interest accrued and remaining unpaid at the end of financial year; and	-	-
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

10. OTHER CURRENT LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues (Tax deducted at Source)	0.05	0.05
Total	**0.05**	**0.05**

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11. OTHER EXPENSES

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payments to Auditors (Refer note below)	0.45	0.50
Legal and professional fees	0.04	-
Rates and taxes	-	0.15
Miscellaneous expenses	0.15	0.22
Total	**0.64**	**0.87**

Note : Payments to Auditors

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As Auditor		
Statutory Audit Fees	0.45	0.50
Total	**0.45**	**0.50**

12. EARNINGS PER EQUITY SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loss attributable to the equity shareholders of the Company		
Loss after tax (A) (Rupees in Lakhs)	(0.64)	(0.87)
Number of equity shares		
Weighted average number of equity shares outstanding (Basic and Diluted) (B)	1,01,158	1,01,158
Basic & Diluted earnings per share(A/B) (Rs.)	(0.63)	(0.86)
Nominal Value of an equity share (Rs.)	10.00	10.00

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13. 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	% of equity interest
Arshiya Limited	Holding Company	100%
Arshiya Infrastructure Developers Private Limited	Fellow Subsidiary	-

(ii) Key managerial personnel

Mr. Sarvothama Shetty (w.e.f. May 31, 2021)
Mr. Ashutosh Sharma (w.e.f. August 11, 2021)
Mr. Pramod Raghavan (till August 16, 2021)
Mr. Vinod Parekh (till May 31, 2021)

(iii) The nature and amount of transactions with the above related party are as follows

(Rupees in Lakhs)

Name	Nature of Transactions	As at March 31, 2023	As at March 31, 2022
Loans from Holding Company			
Arshiya Limited	Loans received	1.33	1.41
	Loans repayment	(0.20)	-

(iv) Closing Balances

(Rupees in Lakhs)

Name	As at March 31, 2023	As at March 31, 2022
Loans from Holding Company		
Arshiya Limited	7.61	6.48

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14. SEGMENT REPORTING

There is no separate reportable segments (Business/ geographical), as per requirement of Ind As 108 "Operating Segment".

15. 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 **(Rupees in Lakhs)**

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
FINANCIAL ASSETS				
Amortised cost				
Cash and Cash Equivalents	0.42	0.42	0.42	0.42
Total	**0.42**	**0.42**	**0.42**	**0.42**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	7.61	6.48	7.61	6.48
Trade Payables	0.42	0.91	0.42	0.91
Total	**8.03**	**7.39**	**8.03**	**7.39**

16. FINANCIAL RISK MANAGEMENT

The Company's activities expose to credit risk and liquidity risk.

(a) Credit risk
Credit risk arises from cash and cash equivalent and other financial assets are carried at amortised cost.

(b) Liquidity risk
The Company is not exposed to any significant liquidity risk.

17. 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 working 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.

18. KEY FINANCIAL RATIOS

Particulars	As at March 31, 2023	As at March 31, 2022	% Changes	Reason for deviation
(i) Current Ratio	0.05	0.06	-7.92%	Current ratio increased due to increase in cash and cash equivalents
(ii) Debt Equity Ratio*	-	-	-	
(iii) Return on Equity Ratio**	0.00%	0.00%	-	
(iv) Return on Capital Employed*	0.00%	0.00%	-	Return on Capital Employed Ratio is decreased due to accumulated losses and debts
(v) Trade Receivables Turnover Ratio	-	-	-	
(vi) Trade Payables Turnover Ratio	0.96	1.28	-24.78%	Trade Payable Turnover Ratio decreased due to increased in other expenses
(vii) Net Capital Turnover Ratio***	-	-	-	
(viii) Net Profit Ratio***	-	-	-	
(ix) Debt Service Coverage Ratio#	-	-	-	
(x) Inventory Turnover Ratio***	-	-	-	
(xi) Return on Investment@	-	-	-	

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** Debt- Equity Ratio and Return on Capital employed is not applicable as equity is negative.*
*** Return on equity Ratio is not applicable due to loss in both years*
****Not applicable as the Company has no revenue*
#Not applicable as the Company has no finance cost
@Not applicable as the Company has no investments

Ratios	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities
Debt Equity Ratio	Total Debts	Total Equity
Return on Equity Ratio	Net Profit after tax	Average Total Equity [(Opening Equity Share capital + Opening Other equity+Closing Equity Share Capital+Closing Other Equity)/2
Return on Capital Employed	Profit Before interest & Tax	Total Equity + Total Debts
Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivable (Opening balance + closing balance) /2
Trade Payables Turnover Ratio	Other expenses	Average trade payables (Opening balance + closing balance) /2
Net Capital Turnover Ratio	Revenue from operations	Working Capital (Current assets - Current liabilities)
Net Profit Ratio	Net profit after tax	Revenue from operations
Debt Service Coverage Ratio	Earnings available for debt service (Net profit after tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost & lease payment + principle repayment of long term borrowings during the year
Inventory Turnover Ratio	Revenue from operations	Average Inventory (opening balance+ closing balance)/2
Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank

19. TAXATION

19.1 Tax Reconciliation **(Rupees in Lakhs)**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Reconciliation of tax expense		
Loss before tax	(0.64)	(0.87)
Enacted income tax rate (%) applicable to the Company	26.00%	26.00%
Tax expenses calculated at enacted income tax rate	(0.17)	(0.23)
Effect of unused Tax Losses	0.17	0.23
Income tax expense recognised in statement of profit and loss	-	-

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

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

(Rupees in Lakhs)

Assessment Year	Business Loss	Available for utilisation till
2015-2016	0.79	A.Y. 2023-2024
2016-2017	0.87	A.Y. 2024-2025
2017-2018	12.63	A.Y. 2025-2026
2018-2019	1.65	A.Y. 2026-2027
2019-2020	0.82	A.Y. 2027-2028
2020-2021	1.54	A.Y. 2028-2029
2021-2022	0.91	A.Y. 2029-2030
2022-2023	0.87	A.Y. 2030-2031
2023-2024	0.64	A.Y. 2031-2032
Total	**20.72**	

Unused deferred tax assets as at March 31, 2023 amounting to Rs. 5.39 Lakh (March 31, 2022 - Rs. 5.22 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilised by the Company.

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ARSHIYA TECHNOLOGIES (INDIA) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

20. CONTINGENT LIABILITIES

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Bond-cum Legal Undertaking (Refer note below)	10.00	10.00

Note:
Bond-cum Legal Undertaking has been given to SEZ Authority for safeguarding duty liability on goods stored in warehouses within FTWZ on behalf of Unit holders.

21. OTHER STATUTORY INFORMATION

(a) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(c) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(d) The Company do not have any transactions and balances with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(e) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(f) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) The Company does not have any pending creation of charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(h) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) Utilisation of borrowed funds as on March 31, 2023, there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(k) The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company.

22. GOING CONCERN

During the Current year, the Company has incurred losses of Rs. 0.64 lakhs and accumulated losses as on 31st March 2023 Rs. 17.78 lakhs and accordingly, net-worth of the Company is fully eroded. Post Covid, there are lots of positive opportunities in logistics sectors which improve business prospects in future. Accordingly, the management has prepared it's financial statements on a going concern basis.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Reg.No. 116560W / W100149

Prashant Daftary
Partner
Membership Number 117080
Place: Mumbai
Date: May 30, 2023

N.A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Arshiya Technologies (India) Private Limited

Sarvothama Shetty
Director
DIN : 08171762

Ashutosh Sharma
Director
DIN : 00679252

Arshiya Technologies (India) Private Limited Mumbai