

ARSHIYA LIMITED

CIN: L93000MH1981PLC024747

Reg Off: 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018

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E-mail: info@arshiyalimited.com | www.arshiyalimited.com**NOTICE TO THE SECURED CREDITORS****MEETING OF THE SECURED CREDITORS (INCLUDING DEBENTURE HOLDERS) OF ARSHIYA LIMITED CONVEY PURSUANT TO THE ORDER DATED 26TH DAY OF FEBRUARY, 2021 PASSED BY THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH****MEETING OF SECURED CREDITORS (INCLUDING DEBENTURE HOLDERS):**

| | |
|--------------|--|
| Day | Saturday |
| Date | 20 th Day of March, 2021 |
| Time | 11.00 AM (1100 Hours) |
| Venue | 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400018, Maharashtra |

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FORM NO. CAA. 2

[Pursuant to Section 230 (3) and rule 6 and 7)]
BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
C.A. (CAA)/2926/MB/2019

IN THE MATTER OF THE COMPANIES ACT, 2013;

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT PURSUANT TO SECTION 230 TO 232 READ WITH SECTION 66 AND SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF COMPOSITE SCHEME OF ARRANGEMENT BETWEEN ARSHIYA LIMITED AND ARSHIYA RAIL INFRASTRUCTURE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

Arshiya Limited, a Company incorporated under the provisions of Companies Act, 1956 and having its registered office at 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400018 Maharashtra, India.

--First Applicant Company/ Demerged Company

NOTICE GIVEN PURSUANT TO THE ORDER DATED 26TH FEBRUARY, 2021 OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

To,

The all the Secured Creditors (Including Debenture Holders) of Arshiya Limited ("Demerged Company")

TAKE NOTICE that by an order dated 26th February, 2021 ("Order"), the Mumbai Bench of the National Company Law Tribunal has directed a meeting to be held of the of secured creditors (Including Debenture Holders) of Arshiya Limited ("Demerged Company") for the purpose of considering, and if thought fit, approving with or without modification, the arrangement proposed to be made between the Arshiya Limited ("Demerged Company") and Arshiya Rail Infrastructure Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 read with Section 66 of the Companies Act, 2013.

In pursuance of the Order and as directed therein, further notice is hereby given that a meeting of the Secured Creditors (Including Debenture Holders) of the said company will be held at 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400018, Maharashtra on Saturday, the 20th March, 2021 at 11:00 A.M at which time and place the said Secured Creditors (Including Debenture Holders) are requested to attend.

At the meeting, following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013, applicable rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India's Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended from time to time), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time), No objection letter / observation letters dated 15th Day of July, 2019 and 12th Day of July, 2019 issued by the National Stock Exchange of India Limited and the BSE Limited, respectively, relevant provisions of the Memorandum and Articles of Association of the Company, and subject to sanction/approval(s) of National Company Law Tribunal ("NCLT"), and such other approvals, sanctions and permissions of other regulatory or government bodies /tribunals or institutions as may be applicable, and subject to such conditions and modification(s) as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company/Demerged Company (hereinafter referred to as the "Board"), the Composite Scheme of Arrangement between Arshiya Limited

("Demerged Company") and Arshiya Rail Infrastructure Limited ("Resulting Company") (presently wholly owned subsidiary company of the Demerged Company) and their respective shareholders and creditors ("Scheme"), which provides for the demerger of the "Domestic Business Undertaking" (as defined in the Scheme) and transfer and vesting thereof into the Resulting Company, a copy of which is enclosed with this notice and placed before this meeting and initialled by the Chairperson or the Alternate Chairperson of the meeting, as the case may be, for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by NCLT while sanctioning the Scheme or by any authorities under law, including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the equity shareholders of Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

TAKE FURTHER NOTICE that in compliance with the provisions of Section 230-232 of the Companies Act, 2013, the Demerged Company has provided the facility of voting by ballot/polling paper at the venue of the meeting to be held on Saturday, 20th March, 2021.

NCLT has appointed Mr. Ajay Shankarlal Mittal, Managing Director of the Demerged Company as the Chairperson and failing him, Mr. Ashishkumar Bairagra, Independent Director of the Demerged Company as the Alternate Chairperson of the said Meeting, including for any adjournment or adjournments thereof.

Copies of the Scheme and of the Explanatory Statement, under Sections 230, 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Demerged Company at 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400018, Maharashtra India or at the office of its Authorised Representative, Aabid & Co, Company Secretaries, at 302, 3rd Floor, 22 Business Point, Opposite Andheri Subway, Next to DCB Bank, S. V. Road, Andheri (W), Mumbai - 400 058, Maharashtra, India.

The above mentioned Scheme, if approved by the meeting, will be subject to subsequent approval of the NCLT.

A copy of the Explanatory Statement, the said Composite Scheme of Arrangement and other enclosures including the Form of Proxy and Attendance Slip are enclosed and form part of the notice and can be obtained free of charge from the registered office of the Company.

For Arshiya Limited.

Sd/-
Ajay S Mittal
Chairman appointed for the meeting

Date: 26th February, 2021
Place: Mumbai

Registered Office: 302, Ceejay House, Level-3,
Shiv Sagar Estate, F-Block, Dr. Annie Besant Road,
Worli, Mumbai - 400018

Notes:

1. Only Secured Creditors (Including Debenture Holders) of the Applicant Company may attend and vote (either in person or by proxy) at the Secured Creditors (Including Debenture Holders) meeting. The representative of body corporate which is a Secured Creditor (Including Debenture Holders) of the applicant Company may attend and vote at Secured Creditors (Including Debenture Holders) Meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the registered office of the applicant company not less than 48 (forty eight) hours before the time fixed for the aforesaid meetings.
2. All alterations made in the form of proxy should be initialed.
3. The Statement under Sections 230(3), 232(1) & (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 is annexed hereto.
4. The notice, Explanatory Statement together with the accompanying documents, is being sent to the Secured Creditors as on 31st December, 2020 in electronic form or physical mode by the permitted mode.
5. The quorum of the meeting of the Secured Creditors of the Company shall be Five (5). In case the quorum as noted above for the Meeting is not complete at the scheduled time, then the meeting shall be adjourned by half an hour, and thereafter, the person present at the meeting shall be deemed to constitute the quorum.
6. In terms of the directions contained in the Order and in compliance with Rule 20 of the Companies (Management and Administration) Rules 2014, the advertisement will be published in 'Active Times' in English language and translation thereof in 'Mumbai Lakshadeep' in Marathi Language, circulated in the State of Maharashtra indicating the day, date, place and time of the meeting and stating that the copies of the Scheme can be obtained free of charge on all working days (except Saturdays, Sundays and public holidays) during 10:00 AM to 5:00 PM from the registered office of the Company.
7. NCLT has appointed, Mr. Mohammed Akram, (ACS 22589 C.P. NO. 9411), Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting at the venue of the Meeting.
8. The Scrutinizer, shall on conclusion of the Meeting, unblock the votes in the presence of at least 2 (two) witnesses not in employment of the Company. Thereafter, the Scrutinizer will submit his report to the Chairman of the Meeting, after completion of scrutiny of votes cast by the creditors of the Company through Ballot. The Scrutinizer's decision on the validity of the votes shall be final. The results of the voting on the resolution(s) set out in the Notice will be announced on or before 22nd March, 2021. The results, together with the Scrutinizer's report, will be displayed on the notice board of the Company at its registered office, on the website of the Company viz. www.arshiyalimited.com, besides being communicated to BSE Limited and National Stock Exchange of India Limited.

[Pursuant to Section 230 (3) and rule 6 and 7)]
BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

C.A. (CAA)/ 2926/MB/2019

IN THE MATTER OF THE COMPANIES ACT, 2013;

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT PURSUANT TO SECTION 230 TO 232 READ WITH SECTION 66 AND SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF COMPOSITE SCHEME OF ARRANGEMENT BETWEEN ARSHIYA LIMITED AND ARSHIYA RAIL INFRASTRUCTURE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Arshiya Limited, a company incorporated under the provisions of Companies Act, 1956 and having its registered office At 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400018 Maharashtra India

---First Applicant Company/ Demerged Company

EXPLANATORY STATEMENT UNDER SECTIONS 230, 232 AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 ("EXPLANATORY STATEMENT")

1. Pursuant to the order dated 26th February, 2021 ("Order"), passed by the Hon'ble National Company Law Tribunal, Mumbai Bench (the "NCLT") in Company Application Number 2926 of 2019 filed jointly by **Arshiya Limited** ("Demerged Company") and **Arshiya Rail Infrastructure Limited** ("Resulting Company"), a meeting of the Secured Creditors (Including Debenture holders) of the Demerged Company, is being convened and is to be held at the registered office of the Resulting Company at 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400018 Maharashtra India at 11:00 A.M. Saturday, 20th March, 2021, for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Composite Scheme of Arrangement between the joint applicants (that is, the Demerged Company and the Resulting Company) and their respective shareholders and creditors (hereinafter referred to as the "Scheme") under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 (the "Act"). A copy of the Scheme setting out details of parties involved in the proposed Scheme, Appointed Date, Effective Date, Share Entitlement Ratio etc., is enclosed as **Annexure A**.

Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.

2. In terms of the Order, quorum for the said meeting shall be 5 members. In case the quorum as noted above for the meeting is not complete at the scheduled time, then the meeting shall be adjourned by half an hour and thereafter, the person(s) present at the meeting shall be deemed to constitute the quorum. For the purposes of quorum, valid proxies will also be considered, if the proxy in the prescribed form, duly signed by the persons entitled to attend and vote at the meeting is filed with the registered office of the Demerged Company at least 48 hours before the meeting. Further, in terms of the Order, the NCLT has appointed Mr. Ajay Shankarlal Mittal, Managing Director of the Demerged Company as the Chairperson and failing him, Mr. Ashishkumar Bairagra, Independent Director of the Demerged Company as the Alternate Chairperson of the said meeting, including for any adjournment or adjournments thereof.
3. This Explanatory Statement is being furnished as required under Sections 230(3), 232(1) & (2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

A. BACKGROUND OF THE COMPANIES

4. **Arshiya Limited**, (herein after called the "The Demerged Company" or "AL") is a Listed Public Company, originally incorporated under the provisions of Companies Act, 1956 on 3rd July, 1981 as a Private Company under the name and style of **IID Forgings Private Limited**. In the Extra Ordinary General Meeting held on 24th day of August, 1982 consent of the Members of the Company has been accorded to change the name of the Company pursuant to conversion from Private Company to Public Company under the name and style of **"IID Forgings Limited"**. Further in the Extra Ordinary General Meeting held on 4th day of May, 2006

consent of the Members of the Company has been accorded to change the name of the Company under the name and style "**Arshiya Technologies International Limited**". Further the Company on 28th day of September, 2007 has changed the name to "**Arshiya International Limited**". Further the Company on 5th day of September, 2013 the Company has changed the name under the name and style of "**Arshiya Limited**".

5. The Registered Office, email and website address of the Demerged Company is 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400018 Maharashtra India, Email:info@arshiyalimited.comand Website: www.arshiyalimited.com, respectively.
6. The main objects for which the Company was formed as set out in the Memorandum of Association are as following:
 - I. To carry on all or any of the business of designing, manufacturing, developing, improving, hiring, repairing, buying, selling and dealing in forgings and castings of ferrous and non-ferrous materials and in any weight for any industry whatsoever, including chilled and malleable castings, special alloy castings. Gunmetal castings, steel castings, gunmetal, copper, brass and aluminium castings and foundry work.
 - II. To carry on the business of providing integrated supply chain and demand chain management services which interalia includes services of air and ocean freight forwarding, cargo consolidation, project logistics air, sea and surface transportation, shipping, chartering of vessels, warehousing, development and providing hubbing facilities at ports and strategic locations development and providing port facilities, container freight stations, inventory and order management services, storage, drumming, consignments at customs, development and providing import and export documentation services, distribution services, analysis and consulting services to enhance supply chain/demand chain logistics, providing information technology services to logistics and value added activities and for the aforesaid purposes to acquire or develop software solutions, acquire on ownership or lease airplanes and ships, trucks, railway wagons and to build or acquire or take on lease tank farms, warehouses, distriparks, container freight stations or develop infrastructure for above services including knowledge Centre for imparting educational training for persons to attain, enhance professional competency in global logistics services.
 - III. To carry on the business of developing, operating and maintaining special economic zones (SEZs)/free trade and warehouse zones (FTWZs), inland container depots (ICDs), industrial parks, logistic parks, warehouses, infrastructure or infrastructure projects; and to act as contractors, builders, town planners, estate developers, engineers, land developers, land consolidators, land scapers, estate agents, immovable property dealers and other allied and/or ancillary activities; and to acquire, build, operate, buy, sell, lease, sub-lease, long lease, leave and license basis, consolidate, exchange, hire or otherwise; lands, buildings, immovable property of any tenure or any interest in the same, SEZs, FTWZs, ICD, warehouses, houses, flats, bungalows, commercial complexes, shopping malls, multiplexes, food courts and other ancillary and/or allied activities, on the land of the company or other land or any immovable property whether belonging to the company or not; and to pull down, rebuild, enlarge, alter any other conveniences and to deal with and improve, in India or abroad either by company or with joint venture or in partnership or on sub-contract basis or otherwise.
 - IV. To carry on the business of any type of transport/ logistic services including but not limited to setting up of rail infrastructure / network within India and abroad including buy, construct, sale ,operates including movement of containers / goods trains using any rail network; and also to acquire, procure, obtain, trade, lease/license or otherwise: container trains, rakes, wagons, boggies; and to create, develop, sale, Purchase, trade or obtain on lease/license basis railway sidings, rail yards, warehouses required for the business of the company and all allied and ancillary services / products related to that.
 - V. To carry on the business developing and maintaining container freight stations, warehousing infrastructure and services, facilities for customs examination or any other regulator/ regulatory authority or department, EDI, empty container yard for storage of shipping containers and other containers or materials; and to carry out repairs and refurbishment of containers, truck, cargo and material handling equipment; and to provide transportation, warehousing, IT & IT infrastructure and services, cold storage and other allied activities; and to provide services of distribution, reverse logistics, forward logistics, supply chain management, value added services, repair and maintenance, manufacture, transportation, consultancy services; and also to provide system/ software solutions, data analytics, acquire, take on lease, hire or otherwise, distribution centres, trucks and material handling equipment as may be necessary to carry on the aforesaid business in India or abroad.
7. During the last 5 (five) years, there has been no change in the name, however the registered office of the Company was changed to Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018 registered office 29th September, 2015. Also, the object clause of the Demerged Company was altered by insertion of addition in object clause on 7th November, 2016 which is as stated in point no. 6 above.
8. It may be noted that the Demerged Company is a public limited company and its securities are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

9. The capital structure of the Demerged Company as on March 31, 2018 is as under:

| Particulars | Amount (Rs.) |
|--|--------------|
| Equity Share Capital | |
| Authorized capital | |
| 24,75,00,000 Equity Shares of Rs.2 each | 49,50,00,000 |
| 1,10,00,000 Optionally Convertible Redeemable Preference Shares of Rs. 10 each | 11,00,00,000 |
| Issued, subscribed and fully paid-up | |
| 22,82,16,776 Equity Shares of Rs. 2 each fully paid-up | 45,64,33,552 |

There is no change in the Total Authorised Share Capital of the Company. However on 23rd July, 2019 with the approval of shareholders the Authorised capital of the Company is re-classified from Rs. 60,50,00,000 (Rupees Sixty Crores Fifty Lakhs only) comprising of 24,75,00,000 (Twenty-Four Crore Seventy – Five Lakhs only) equity Shares of Rs. 2 (Rupees Two only) each and 1,10,00,000 (One Crore Ten Lakhs only) Zero Percent Optionally Convertible Redeemable Preference Shares of Rs. 10 (Rupees Ten only) each to Rs. 60,50,00,000 (Rupees Sixty Crores Fifty Lakhs only) divided into 28,75,00,000 (Twenty – Eight Crores Seventy Five Lakhs only) Equity Shares of Rs.2 (Rupees Two) each and 30,00,000 (Thirty Lakhs) Zero Percent Optionally Convertible Redeemable Preference Shares of Rs. 10 (Rupees Ten only) each.

The capital structure of the Demerged Company as on 26th February, 2021 is as under:

| Particulars | Amount (Rs.) |
|--|--------------|
| Equity Share Capital | |
| Authorized capital | |
| 28,75,00,000 Equity Shares of Rs.2 each | 57,50,00,000 |
| 30,00,000 Optionally Convertible Redeemable Preference Shares of Rs. 10 each | 3,00,00,000 |
| Issued, subscribed and fully paid-up | |
| 26,22,75,915 Equity Shares of Rs. 2 each fully paid-up | 52,45,51,830 |

10. The names and addresses of the Promoters of the Demerged Company is provided below:

| NAMES | ADDRESS |
|------------------|--|
| Ajay S Mittal | Mittal Bhavan 2, 3rd Floor, 62-A, Peddar Road, Mumbai 400026 |
| Archana A Mittal | Mittal Bhavan 2, 3rd Floor, 62-A, Peddar Road, Mumbai 400026 |

11. The list of directors of the Demerged Company as on 26th February, 2021 along with their names and addresses is provided below:

| List Of Director | | | | |
|------------------|--------------------------|----------|-------------------------|--|
| SR No. | Name Of Director | DIN | Designation | Address |
| 1 | Ajay Shankarlal Mittal | 00226355 | Managing Director | Mittal Bhavan 2, 3rd Floor, 62-A, Peddar Road, Mumbai 400026 Maharashtra India |
| 2 | Archana Ajay Mittal | 00703208 | Joint Managing Director | Mittal Bhavan 2, 3rd Floor, 62-A, Peddar Road, Mumbai 400026 Maharashtra India |
| 3 | Ashishkumar Bairagra | 00049591 | Independent Director | 44, Sadhana Building, B Road, Churchgate Mumbai 400020 Maharashtra India |
| 4 | Tara Sankar Bhattacharya | 00157305 | Independent Director | 8e, B-1, Harbor Heights, N A Sawant Road, Colaba, Mumbai 400005 Maharashtra India |
| 5 | Rishabh Pankaj Shah | 00694160 | Independent Director | Saranam Building, Block No. 7, 7th Road, Prabhat Colony, Santacruz (East), Mumbai 400055 Maharashtra India |
| 6 | Ved Prakash | 02988628 | Independent Director | L-1/1, Hauz Khas Enclave, New Delhi – 16. |
| 7 | Manjari Ashok Kacker | 06945359 | Independent Director | B-702, Beaumonde, Appa Saheb Marathe Marg, Prabhadevi, Mumbai- 400025, Maharashtra, India |

12. **Arshiya Rail Infrastructure Limited**, (hereinafter referred to as “The resulting Company” or “ARIL”) is a Public Limited Company originally incorporated under the provisions of the Companies Act, 1956 on 7th April, 2008.

13. The Registered Office, email and website address of the Demerged Company is 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400018 Maharashtra India, Email:info@arshiyalimited.com and Website: www.arshiyalimited.com respectively.
14. The main objects for which the resulting Company was formed as set out in the Memorandum of Association are as following:
- I. To carry on the business of setting up of Rail Infrastructure/Network within India and abroad including operations/movement of Container/Goods Trains using Indian Railway Network and also to acquire, procure, obtain on lease/licence or otherwise Container Trains, Rakes, Wagons, Boggies and Create, Develop or Obtain on lease/licence basis Railway Sidings, Rail Yards, Warehouses required for the business of the Company.
 - II. To carry on the business predominantly in the Northern Region of India, of container freight stations which, inter-alia includes setting up of bonded warehousing infrastructure and services, facilities for customs examination, EDI, empty container yard for storage of shipping containers, repairs and refurbishment of containers, truck, cargo and material handling equipments, transportation, non-bonded warehousing, IT & ITES infrastructure and services, warehousing, cold storage and other cargo related activities.
 - III. To carry on the business of Transport & Handling of Containers/ Goods/ Network within India and abroad including operations/movement of Container/Cargo/Goods Trains using India Railway Network and also to acquire, procure, obtain on lease/licence or otherwise Container Trains, Rakes, Wagons, Boggies and Create, Develop or obtain on lease/ licence basis Railway Sidings, Rail Yards, Warehouses required for the business of the Company.
15. There is no change in the name of the Resulting Company, however the registered office was changed on 27th October, 2015 to 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai – 400018 and the objects of the Resulting Company was altered on 28th July, 2016 and thereafter on 9th March, 2017 by insertion of additional object clause. The altered object clause of the Company is as stated in point No. 14 above.
16. It may be noted that the Resulting Company is a public limited company and its securities are not listed on any stock exchange.
17. The capital structure of the Resulting Company as on the 31st March, 2018 is given below:

| Particulars | Amount (Rs.) |
|---|--------------|
| Equity Share Capital | |
| Authorized capital | |
| 45,000,000 Equity Shares of Rs.10 each | 450,000,000 |
| Issued, subscribed and fully paid-up | |
| 42,384,417 Equity Shares of Rs. 10 each fully paid-up | 423,844,170 |

After March 31, 2018, there has been no change in the authorized, issued, subscribed and paid up share capital of the Resulting Company.

The proposed capital structure of the Resulting Company post the completion of demerger will be as under:

| Particulars | Amount (Rs.) |
|--|--------------|
| Equity Share Capital | |
| Authorized capital | |
| 32,52,50,000 Equity Shares of Rs.2 each | 65,05,00,000 |
| Issued, subscribed and fully paid-up | |
| 12,30,22,333 Equity Shares of Rs. 2 each fully paid-up | 24,60,44,666 |

18. The name and address of the Promoter(s) of the Resulting Company is provided below:

| NAMES | ADDRESS |
|-----------------|---|
| Arshiya Limited | 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018 |

19. The list of Directors of the Resulting Company is provided below:

| List Of Director | | | | |
|-------------------------|--------------------------------|------------|--------------------|--|
| SR No. | Name Of Director | DIN | Designation | Address |
| 1 | Ashishkumar Bairagra | 00049591 | Director | 44, Sadhana Building, B Road, Churchgate Mumbai 400020 Maharashtra India |
| 2 | Navnit Jugal Kishore Choudhary | 00613576 | Director | Flat No 114, Aakash Wing, Indraprasth Complex, Satya Nagar, Borivali West, Mumbai 400092 Maharashtra India |
| 3 | Ajay Shankarlal Mittal | 00226355 | Director | Mittal Bhavan 2, 3rd Floor, 62-A, Peddar Road, Mumbai 400026 Maharashtra India |
| 4 | Rishabh Pankaj Shah | 00694160 | Director | Saranam Building, Block No. 7, 7th Road, Prabhat Colony, Santacruz (East), Mumbai 400055 Maharashtra India |

B. RELATIONSHIP SUBSISTING BETWEEN PARTIES TO THE SCHEME

20. The Resulting Company is a wholly owned subsidiary of the Demerged Company.

C. BOARD MEETING OF THE DEMERGED COMPANY AND THE RESULTING COMPANY FOR APPROVAL OF THE SCHEME

21. The Scheme has been unanimously approved by the Board of Directors of the Demerged Company vide resolution passed in the meeting held on 24th May, 2018. Out of total 6 (Six) Directors of the Demerged Company, 5 (Five) directors were present in the Meeting, all of whom voted in favour of the resolution.

The details of voting by Directors on the resolution is as under:

| NAME OF THE DIRECTORS | DESIGNATION | VOTED IN FAVOR | VOTED AGAINST | ABSTAINED FROM VOTING |
|------------------------------|--------------------------|-----------------------|----------------------|------------------------------|
| Ashishkumar Bairagra | Independent Director | Yes | NA | NA |
| Tara Sankar Bhattacharya | Independent Director | Yes | NA | NA |
| Ajay Shankarlal Mittal | Managing Director | Yes | NA | NA |
| Mukesh Kacker | Independent Director | Yes | NA | NA |
| Archana Ajay Mittal | Joint -Managing Director | Yes | NA | NA |

22. The Scheme has been unanimously approved by the Board of Directors of the Resulting Company vide resolution passed in the meeting held on May 24, 2018. Out of total 4 (Four) Directors as on that date, 3(three) Directors of the Resulting Company were present in the meeting, and voted in favour of the resolution. The details of voting by directors on the resolution is as under:

| NAME OF THE DIRECTORS | DESIGNATION | VOTED IN FAVOR | VOTED AGAINST | ABSTAINED FROM VOTING |
|--------------------------------|----------------------|-----------------------|----------------------|------------------------------|
| Ashishkumar Bairagra | Independent Director | Yes | NA | NA |
| Navnit Jugal Kishore Choudhary | Director | Yes | NA | NA |
| Ajay Shankarlal Mittal | Director | Yes | NA | NA |

D. DETAILS OF THE SCHEME

23. The parties to the Scheme are the Demerged Company and the Resulting Company along with their respective shareholders and creditors.
24. The "Appointed Date" of the Scheme is April 1, 2019. "Effective Date" means the last of the dates, if applicable, on which the certified or authenticated copy of the order(s) sanctioning the Scheme passed by the National Company Law Tribunal ("NCLT") of Judicature at Mumbai, is filed with the Registrar of Companies, Mumbai. This date is only drawn to capture references to all transactions undertaken between the Appointed Date and date of filing of the NCLT order with Registrar of Companies ("ROC"). Thus, the same is not to be construed as the effective date for the purpose of Section 232(6) of the Act.

25. Share Exchange Ratio

The Resulting Company shall, without any further application or deed, for every 2 (two) fully paid-up equity shares of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, 1 (one) fully paid-up equity share of Rs 2 each, of the Resulting Company ('New Equity Shares').

26. Rationale for the Scheme and benefits of the Scheme as perceived by the Board of Directors of the Demerged Company are:

- To integrate / consolidate its DWA, RAIL, PFT & ICD business into ARIL, which would enable Arshiya to focus solely on FTWZ Business ;
- To provide more flexibility in terms of creating business synergies in the Resulting Company i.e. ARIL, enable cost savings, rationalizing capital requirements and optimizing utilization of valuable resources which will enhance management focus on the different businesses being housed under separate entities, thereby leading to higher operational efficiency;
- To enhance value for the shareholders and allow focused strategy on expansion/ operation of both the FTWZ and the Domestic Business independently;
- To achieve and fulfill their objectives more efficiently and economically and the same is also in the interest of all the stakeholders.

27. Salient Features of the Scheme:

The Scheme provides for the transfer of the Demerged Undertaking (as defined in the Scheme) to the Resulting Company. There will be no change in the shareholding pattern of the Demerged Company. Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application or deed, for every 2 (two) fully paid-up equity shares of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, subject to the provisions of Clause 7.4 of the Scheme, 1 (one) fully paid-up equity share of Rs 2 each, of the Resulting Company ('New Equity Shares'). Further, upon issue of the new equity shares to the Shareholders of the Demerged Company on the record date, all existing equity shares held by the existing shareholders of the Resulting Company (i.e. not including the shareholders of the Demerged Company on the record date), shall stand cancelled, without any further act or deed.

The equity shares to be issued pursuant to the Scheme in the Resulting Company will be listed with BSE Ltd. and National Stock Exchange of India Limited.

28. Details of capital or debt restructuring, if any: Basis the share exchange ratio mentioned above, the shareholders of the Demerged Company shall be provided with shares of the Resulting Company in the ratio of 2:1 and the shares held by the Demerged Company in the Resulting Company shall be extinguished.

29. Amount due to secured creditors as on 31st December, 2020:

| CREDITORS | NO. OF CREDITORS | AMOUNT DUE |
|-------------------|------------------|-----------------|
| Secured Creditors | 10 | 11,59,04,57,000 |

E. APPROVALS/ SANCTIONS/NO-OBJECTIONS FROM REGULATORY OR GOVERNMENTAL AUTHORITY RECEIVED OR PENDING

30. The BSE Limited was appointed as the designated stock exchange by the Demerged Company for the purpose of co-ordinating with the SEBI, pursuant to the SEBI Circular.

31. The Demerged Company received "no adverse observation letter" and "no-objection letter" from BSE and NSE respectively, each dated 12th Day of July, 2019 and 15th Day of July, 2019 respectively, conveying their "no adverse observations" and "no-objection" for filing the Scheme with NCLT.

Copies of the aforesaid "no-objection letter" and "no adverse observations letter" of NSE and BSE, respectively, are enclosed as Annexure B (I) and Annexure B (II).

32. As required by the SEBI Circular, the Demerged Company had filed the complaint report with BSE and NSE on. The report indicated that the Demerged Company has not received any complaints. A copy of the complaint report submitted by the Demerged Company to BSE and NSE, dated 17th Day of November, 2018 and 14th Day of May, 2019 is enclosed as Annexure C.
33. The Demerged Company has also filed the compliance report with BSE and NSE and is enclosed as Annexure D.
34. Effect of Scheme on various Parties

A. Directors and Key Managerial Personnel (KMPs)

None of the Directors and key managerial personnel of the Demerged Company and the Resulting Company or their respective relatives have any interest in the Scheme except to the extent the (i) equity shares held by them in the Demerged Company and the Resulting Company directly or as a nominee; and/or (ii) Director(s) are common director(s) in the two companies; and/or (iii) the Director(s), key managerial personnel and their respective relatives are the director(s), partner(s), member(s) and/or beneficiary(ies) of the companies, firms, association of persons, bodies corporates and/or trust, as the case may be, that hold shares in the Demerged Company/ Resulting Company. There will be no adverse effect of the Scheme on the directors and key managerial personnel of the Demerged Company and Resulting Company.

B. Promoters and Non – Promoter equity shareholders of the Demerged Company and the Resulting Company

In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Demerged Company and the Resulting Company, in their meetings held on May 24, 2018, have adopted a report, inter alia, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, directors, promoters and non-promoter shareholders. Copy of the reports adopted by the respective Board of Directors of the Demerged Company and the Resulting Company are enclosed as Annexure EI and EII respectively.

C. Depositors

Neither the Demerged Company nor the Resulting Company have accepted any deposits.

D. Creditors and Debenture – Holders /Debenture Trustees

The debts pertaining to the Demerged Undertaking are taken over by the Resulting Company. Any charge, security interest, lien, statutory lien or statutory charge pertaining to any assets of the Demerged Undertaking shall continue to have effect only on the assets of the Demerged Undertaking in the Resulting Company and shall cease to have effect on the assets of the Remaining Business. The debts pertaining to the Remaining Business (as defined in the Scheme) continue to be the debts or liabilities of the Demerged Company. Accordingly, if any creditor has any charge, security interest, lien, statutory lien or statutory charge on any of the assets or properties of Demerged Undertaking of the Demerged Company, such creditor shall continue to enjoy and hold such charge, lien or security interest upon the properties of Demerged Undertaking in the Resulting Company.

The rights of the creditors of the Demerged Company or the Resulting Company shall not be affected by the scheme. There will be no reduction in their claims on account of the Scheme. The creditors will be paid in the ordinary course of the business as and when their dues are payable. There is no likelihood that the creditors would be prejudiced in any manner as a result of the Scheme being sanctioned. The Demerged Company or the Resulting Company has not issued any debentures and accordingly, do not have any debenture holders.

E. Employees

- I. On and from the Effective Date, all permanent employees relating to the Demerged Undertaking, as were employed by the Demerged Company, immediately before such date, shall become the employees of the Resulting Company with the benefit of continuity of service and without any break or interruption in service. It is clarified that the employees of the Demerged Undertaking, who become employees of the Resulting Company by virtue of this Scheme, shall continue to be governed by the same terms of employment as were applicable to them immediately before the demerger. The Resulting Company undertakes to abide by any agreement/settlement, if any, entered into by the Demerged Company with any of its respective employees thereof. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, or any other benefits and incentives, if any, such past services with the Demerged Company shall be taken into account.
- II. It is expressly provided that, on the Effective Date, the provident fund, gratuity fund, superannuation fund created or any other special fund existing for the benefit of the employees of the Demerged Company, in relation to the

Demerged Undertaking shall become the funds of the Resulting Company, for all purposes whatsoever in relation to the administration or operation of such fund(s) or in relation to the obligation to make contributions to the said fund(s) in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company, in relation to the Demerged Undertaking in relation to such fund(s) shall become those of the Resulting Company. These funds shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company for the benefit of the employees of the Demerged Undertaking or be transferred to and merged with other similar funds of the Resulting Company. It is clarified that the services of the employees of the Demerged Company, in relation to the Demerged Undertaking shall be treated as having been continuous for the purpose of the said fund(s); and

- III. With effect from the date of filing of this Scheme with the NCLT and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees, except with the prior written consent of the Resulting Company.

35. There are no investigations or proceedings, pending against the Company under the Companies Act, 2013.
36. None of the directors and KMPs or their respective relatives have any material interest in respect of the Scheme.
37. A copy of the Scheme has been filed by the Company with the Registrar of Companies, Mumbai.
38. The following documents will be open for obtaining extract from or for making or obtaining copies of or inspection by the Equity Shareholders at the Registered Office of the Demerged Company, during 10:00 a.m. to 5:00 p.m., on all working days (except Saturdays, Sundays and Public Holidays) upto the date of the Meeting:
 - a. Draft of the Scheme which is enclosed as Annexure A.
 - b. Copy of the Share Entitlement Ratio Report obtained from ZADN & Associates Chartered Accountants, dated May 24, 2018 which is enclosed as Annexure F.
 - c. Statutory Auditor's certificate in respect of the accounting treatment proposed in the Scheme which is enclosed as Annexure G.
 - d. The Fairness opinion obtained from the merchant banker which is enclosed herewith as Annexure H.
 - e. The audited Accounts of the Demerged Company and the Resulting Company for the Financial Year ended March 31, 2019 which are enclosed as Annexure I – I and Annexure I - II respectively.
 - f. Copy of the Order of the National Company Law Tribunal pursuant to which the meeting is to be convened which is enclosed as Annexure J.
39. The applicable information of Arshiya Rail Infrastructure Limited in the format specified for abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 which is enclosed as Annexure-K.
40. Dissected Financials (List of Assets and Liabilities of Demerged Company which will be transfer to the Resulting Company) is enclosed herewith as Annexure L.
41. The Pre – Scheme and proposed Post-Scheme share capital structure of the Resulting Company is enclosed as Annexure M.
42. Copy of Annual Report of the Demerged & Resulting Companies for the Financial Year 2016-2017, 2017-2018, 2018-2019.
43. Contracts or agreements material to the compromise or arrangement – N/A
44. Any other information or document as the Board believes is necessary – N/A.
45. It is confirmed that the copy of the Scheme has been filed with the Registrar of Companies, Mumbai by both the Demerged Company and the Resulting Company.
46. In view of the information provided hereinabove, and the documents attached alongwith this notice and explanatory statement,

the requirement of Section 232(2) of the Companies Act, 2013 have been complied with.

47. After the Scheme is approved by the equity shareholders and creditors of the Demerged Company, it will be subject to the approval/sanction by NCLT.

For Arshiya Limited.

Sd/-

Ajay S Mittal

Chairman appointed for the meeting

Date: 26th February, 2021

Place: Mumbai

Registered office: 302, Ceejay House,
Level-3, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli,
Mumbai- 400018

SCHEME OF ARRANGEMENT

BETWEEN

ARSHIYA LIMITED

AND

ARSHIYA RAIL INFRASTRUCTURE LIMITED

UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND SECTION 52 AND OTHER

APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

1. INTRODUCTION

- 1.1. Arshiya Limited (hereinafter referred to as “**Demerged Company**” or “**Arshiya**”), a company incorporated under the Companies Act, 1956 (CIN - L93000MH1981PLC024747) and has its registered office at 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400 018. Arshiya Limited is listed on the BSE and NSE.
- 1.2. Arshiya Rail Infrastructure Limited (hereinafter referred to as “**Resulting Company**” or “**ARIL**”) is a wholly owned subsidiary of Arshiya Limited. ARIL is a company incorporated under the Companies Act, 1956 (CIN - U93000MH2008PLC180907), and has its registered office at 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400 018;
- 1.3. This Scheme of arrangement (“Scheme”), inter alia, provides for demerger of the Demerged Undertaking (hereinafter defined in Part III) of the Demerged Company and transfer and vesting thereof into the Resulting Company and utilization of securities premium of the Demerged and Resulting Company (hereinafter defined under Part II) including consequential or related matters integrally connected therewith.

PREAMBLE

The management of Arshiya Group intends to reorganize its corporate structure spread across various group companies in order to integrate/ consolidate its operations by housing different businesses into two different entities/ separate verticals.

As part of the aforesaid overall Group reorganization, the management had also filed a separate scheme of amalgamation of two of Arshiya’s wholly owned subsidiaries, i.e. Arshiya Industrial & Distribution Hub Limited (“**AIDHL**”) and Arshiya Transport and Handling Limited (“**ATHL**”) into ARIL (“**merger scheme**”) with National Company Law Tribunal and is awaiting its approval. The appointed date for the said merger scheme is October 1, 2015. Accordingly, this scheme of arrangement is conditional upon the aforesaid merger scheme becoming effective first. In case the said merger scheme is withdrawn or ARIL ceases to be a wholly owned subsidiary as on the Record Date (defined hereunder), this Scheme will also be withdrawn.

Further, this Scheme is presented under Sections 230 to 232 read with Sections 66 and 52 and other applicable provisions of the Companies Act, 2013 for demerger of Domestic business (as defined hereinafter) of Arshiya Limited (hereinafter referred to as ‘**Arshiya**’ or the ‘**Demerged Company**’) into Arshiya Rail Infrastructure Limited (hereinafter referred to as ‘**ARIL**’ or ‘**Resulting Company**’) and utilization of securities premium of both the entities.

BACKGROUND AND RATIONALE FOR THE SCHEME

- a. Arshiya, a flagship company of Arshiya Group, is engaged in the business of developing Free Trade Warehousing Zones (“**FTWZ**”) and Domestic Warehousing Areas (“**DWA**”) as mentioned below to improve logistics infrastructure in India.

FTWZ Business - FTWZ at Panvel offers over 800,000 Sq. ft. of warehousing space with best in class infrastructure which is suitable for clients across industries. The facility is well connected to the National and State Highways and situated only 24 kms from the country’s busiest container port and also close to the proposed International Airport in Navi Mumbai.

Domestic Business - Domestic Business comprises of Domestic Warehousing activities being carried out by Arshiya at land admeasuring 43.42 acres of land situated at Khurja (UP) and investments held in the Resulting Company pertaining to Private Freight Terminal ('PFT'), Rail Transportation Services ('RAIL') businesses being carried in the Resulting Company and Inland Container Depot ('ICD'), DWA business being carried in AIDHL.

b. Brief description of the above mentioned business :

PFT: ARIL currently under a PFT license operates Indian Railways traffic business for various customers catering to bulk goods movement and bagged cargo at sidings specifically earmarked for the same.

RAIL: ARIL holds category-I license to run container trains pan-India and is one of the largest Private Container Train Operator (PCTO's) with a rail fleet of 18 rakes and 3,200 owned containers equipped to handle a wide-range of cargo, with a pan India presence. ARIL's service is completely equipped to provide efficient movement of cargo between terminals, hubs and warehouses.

ARIL's infrastructure consists of rail siding, rail terminal equipped with three loop / blast rail lines and three non-ballast rail lines with a capacity to handle up to 20 rakes per day.

ICD: The Khurja ICD is co-located with a state-of-the-art Rail Terminal and FTWZ. ICD-Khurja is the only private ICD in the country to have exclusive connectivity with 6-lane private rail siding offering regular and prompt rail connectivity through owned rakes to all the major gateway ports that service the northern region of India. ICD Khurja is located strategically with multiple road approaches from the major 4/6 lane highways providing a congestion-free movement of cargo and containers.

The Group intends to reorganize its corporate structure and integrate / consolidate its operations by housing the following businesses into two different entities / separate verticals:

1.3.1. FTWZ business in Arshiya

1.3.2. Domestic business (includes DWA, ICD, Rail and PFT business) in ARIL

1.4. Though the businesses of all the Group companies complement each other, the Group believes that in the industry, there are other companies who are doing consolidated business of offering rail infrastructure, cargo/container handling services, providing ICD and Domestic warehousing services. The demand in the market for the entities providing consolidated services is higher than the entities providing individual services. In order to earn higher revenue and to cater to the needs of the market, the management intends to consolidate the rail infrastructure, transport handling business, DWA and ICD business. Hence, the management envisages the transfer of Domestic business of Arshiya into ARIL.

1.5. Accordingly, the proposed demerger of the Domestic Business (as defined hereinafter) envisaged in this Scheme ('**the Demerger**') would be in order to integrate / consolidate its DWA, RAIL, PFT & ICD business into ARIL, which would enable Arshiya to focus solely on FTWZ Business. This would provide more flexibility in terms of creating business synergies in the Resulting Company i.e. ARIL, enable cost savings, rationalizing capital requirements and optimizing utilization of valuable resources which will enhance management focus on the different businesses being housed under separate entities, thereby leading to higher operational efficiency.

Further, the Scheme would be in the best interests of the shareholders, creditors and employees of Arshiya and ARIL, respectively as it would result in enhanced value for the shareholders and allow focused strategy on expansion/ operation of both the FTWZ and the Domestic Business independently. Pursuant to this Scheme all the shareholders of Arshiya will get shares in ARIL and there would be no change in the economic interest for any of the shareholders of Arshiya pre and post implementation of this Scheme.

1.6. Apropos, the Board of Directors of the Demerged Company and the Resulting Company are of the view that the transfer and vesting of the Demerged Undertaking (as defined hereinafter) of the Demerged Company with the Resulting Company will enable both the companies to achieve and fulfill their objectives more efficiently and economically and the same is also in the interest of all the stakeholders.

1.7. The Scheme has been approved by the Board of Directors of the Demerged Company and the Resulting Company.

1.8. The transfer of the Demerged Undertaking shall be on a going concern basis.

2. PARTS OF THE SCHEME

2.1. This Scheme of Arrangement is divided into the following parts:

- 2.1.1. PART I deals with the definitions and share capital of the Demerged Company (*defined hereinafter*) and the Resulting Company;
- 2.1.2. PART II deals with the utilization of securities premium of the Demerged and the Resulting Company and the corresponding accounting treatment in connection therewith;
- 2.1.3. PART III deals with the demerger of the Demerged Undertaking of Demerged Company and its vesting in the Resulting Company;
- 2.1.4. PART IV deals with the Remaining Business (*defined hereinafter*) of the Demerged Company (*defined hereinafter*);
- 2.1.5. PART V deals with the consideration for the demerger and accounting treatment for the demerger in the books of the Demerged Company and the Resulting Company consequent to the demerger; and
- 2.1.6. PART VI deals with general terms and conditions applicable to this Scheme.

PART – I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

- 1.1. “**Act**” means the Companies Act, 2013 and rules made thereunder, including any statutory modifications, re-enactments or amendments thereof for the time being in force as the case may be.
- 1.2. “**Appointed Date**” means 01 April 2019.
- 1.3. “**Demerged Company**” or “**Arshiya**” means Arshiya Limited, a company incorporated under the Companies Act, 1956, and having its registered office at 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
- 1.4. “**Domestic Business Undertaking**” or “**Demerged Undertaking**” or “**Domestic Business**” means Arshiya’s entire undertaking, business, activities and operations and domestic business activities pertaining to the DWA Business (including Arshiya’s investment in its subsidiary, namely ARIL pertaining to PFT, RAIL businesses being carried ARIL). The term Domestic Business Undertaking shall include the following:
 - 1.4.1. All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible) wherever situated and of whatever nature, pertaining thereto through which Arshiya carries on the business, activities and operations relating to the Domestic Business.
 - 1.4.2. All the debts, duties, obligations, loans and liabilities, whether present or future, whether secured or unsecured, of the Demerged Company in relation to the Domestic Business as on the Appointed Date comprising of:
 - 1.4.2.1. All the debts, duties, obligations and liabilities, including contingent liabilities which arise out of the activities or operations of the Demerged Company in relation to the Domestic business and all other debts, liabilities, duties and obligations of the Demerged Company relating to the Demerged Undertaking which may accrue or arise after the appointed date but which related up to the date immediately preceding the Appointed Date;
 - 1.4.2.2. Specific loans and borrowings raised, incurred and / or utilized solely for the activities or operation of the Demerged Company in relation to the Domestic Business;

1.4.2.3. Liabilities other than those referred in clauses 1.4.2.1 and 1.4.2.2 above and not directly relatable to the Domestic Business, being the amounts of general or multipurpose borrowings of the Demerged Company as stand in the same proportion which the value of the assets transferred under this clause of Domestic Business bears to the total value of the assets of the Demerged Company immediately before the Appointed Date.

1.4.3. Without prejudice to the generality of the above, the Domestic Business shall also include in particular:

1.4.3.1. All assets and properties including land, building, plant and machinery, capital work in progress, equipment, furniture and fixture, vehicles, computers, electrical installations and any other fixed asset in relation to the Domestic Business;

1.4.3.2. All current assets, inventory, stock-in-trade, account receivables, loans and advances, prepaid expenses and other assets in relation to the Domestic Business;

1.4.3.3. Cash and cash equivalents, bank balances and bank accounts relating to the Domestic Business including fixed deposits;

1.4.3.4. Security deposits, advances, earnest monies, balances, advance lease rentals or other payments made to or received from the lessors or suppliers or service providers in relation to the Domestic Business and includes deposits and balances with Government, Semi-Government, local and other authorities and bodies, including all tax balances or balances with any tax authority or other statutory body pertaining to the Domestic Business, customers and other persons earnest moneys and/or security deposits paid or received by Arshiya in connection with the Domestic Business;

1.4.3.5. All agreements (including but not limited to agreements with respect to immoveable properties by way of lease, license and business arrangements), rights, contracts, entitlements, permits, licenses, registrations, insurance policies, approvals, consents, engagements, arrangements, subsidies, concessions, exemptions and all other privileges and benefits of every kind, nature and description whatsoever (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, etc., unutilized deposits or credits, benefits under the VAT/ Sales Tax law / Goods and Services Tax (GST), VAT / sales tax set off, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / Service tax / GST credits, etc.) relating to the Domestic Business;

1.4.3.6. Investments, held by Arshiya in ARIL;

1.4.3.7. All permanent employees of Arshiya excluding those who are engaged in relation to the Remaining Business;

1.4.3.8. All records, files, documents, reports, papers, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the Domestic Business;

1.4.3.9. All intellectual property (if any) including but not limited to technical know-how, assignment of trademarks and other related rights, title and interest vested thereto rights owned or licensed, records, files, papers, data and documents in the name of Arshiya and in relation to the Domestic Business, Brand name and domain name;

1.4.3.10. All pending litigations or proceedings filed by or against the Demerged Company pertaining to the Domestic Business;

1.4.3.11. All loans and cash credit facilities availed of by the Demerged Company for the purposes of the Domestic Business and other liabilities incurred in connection therewith;

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Domestic Business or whether it arises out of the activities or operations of the Domestic Business shall be decided by mutual agreement between Arshiya and ARIL. Further, it is clarified that the Optionally Convertible Redeemable Preference Share – I ('OCRPS-I') issued by Arshiya does not relate to Domestic Business and unless converted into equity shares on or before the Record Date, no additional / proportionate consideration shall be payable to its holders pursuant to this Scheme becoming effective. However, any Corporate Action relating to the Outstanding OCRPS-I shall be kept in abeyance till the last date upto which the option for conversion is exercisable.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

- 1.5. **“Effective Date”** means the last of the dates, if applicable, on which the certified or authenticated copy of the order(s) sanctioning the Scheme passed by the National Company Law Tribunal (“NCLT”) of Judicature at Mumbai, is filed with the Registrar of Companies, Mumbai. This date is only drawn to capture references to all transactions undertaken between the Appointed Date and date of filing of the NCLT order with Registrar of Companies (“ROC”). Thus, the same is not to be construed as the effective date for the purpose of Section 232(6) of the Act.
- 1.6. **“Governmental Authority”** or **“Appropriate Authority”** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.
- 1.7. **“National Company Law Tribunal”** or **“NCLT”** or **“Tribunal”** means the competent authority under the provisions of Sections 230 to 232 and other applicable provisions of the Act and specifically refers to the National Company Law Tribunal, Mumbai Bench in respect of Arshiya and ARIL having their registered offices located in Mumbai, Maharashtra.
- 1.8. **“Record Date”** means the date to be fixed jointly by the Board of Directors of Demerged and Resulting Company for the purposes of determining the shareholders of Arshiya to whom shares would be issued in accordance with Clause 7 of this Scheme.
- 1.1. **“Remaining Business”** or **“Remaining Business of Arshiya”** shall mean all undertakings, businesses, activities and operations including assets and liabilities of Arshiya pertaining to the FTWZ business and excludes the Domestic Business.
- 1.2. **“Resulting Company”** or **“ARIL”** means Arshiya Rail Infrastructure Limited a Company incorporated under the Companies Act, 1956 and having its registered office at 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
- 1.3. **“Scheme”** means this Scheme of Arrangement between Arshiya and ARIL, in its present form and / or with any modifications and amendments thereto made under Clause 22 of this scheme as approved or directed by the Tribunal.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 23 of this Scheme duly approved or imposed or directed by the Tribunal shall be effective from the Appointed Date but shall be operative from the Effective Date. Therefore, for all regulatory and tax purposes, the Demerger would have been deemed to be effective from the Appointed Date of this Scheme as per Section 232(6) of the Companies Act 2013. Notwithstanding the above, the accounting treatment to be adopted to give effect to the provisions of the Scheme would be in consonance with Indian Accounting Standards 103 (“IND AS 103”) and the mere adoption of such accounting treatment will not in any manner effect the vesting of the Demerged Undertaking from the Appointed Date.

3. SHARE CAPITAL

- 3.1. The share capital of Arshiya Limited as on 30th April 2018 is as under:

| Particulars | Amount (Rs.) |
|---|--------------|
| Equity Share Capital | |
| Authorized capital | |
| 247,500,000 Equity Shares of Rs 2 each | 495,000,000 |
| 11,000,000 Preference Shares of Rs. 10 each | 110,000,000 |
| Issued, subscribed and fully paid-up | |
| 229,716,776 Equity Shares of Rs 2 each | 459,433,552 |
| OCRPS – I | |
| 57,64,619 OCRPS-I of Rs 10 each | 5,76,46,190 |

Subsequent to 30th April 2018, there has been no change in the authorized, issued and paid up share capital of Arshiya Limited.

3.2. The share capital of the Resulting Company as on 30th April 2018 is as under:

| Particulars | Amount (Rs.) |
|---|--------------|
| Equity Share Capital | |
| Authorized capital | |
| 45,000,000 Equity Shares of Rs.10 each | 450,000,000 |
| Issued, subscribed and fully paid-up | |
| 42,384,417 Equity Shares of Rs. 10 each fully paid-up | 423,844,170 |

Subsequent to 30th April 2018, there has been no change in the authorized, issued and paid up share capital of Resulting Company.

PART II

UTILISATION OF SECURITIES PREMIUM

4. UTILISATION OF SECURITIES PREMIUM OF DEMERGED COMPANY AND RESULTING COMPANY

- 4.1. It is proposed to write off the aggregate of the balance in Profit and Loss Account as on Appointed Date and the excess of assets over liabilities as provided under clause 8.1.3 ('**Arshiya Aggregate Book Losses**'), against the securities premium account of Arshiya.
- 4.2. It is also proposed to write off the balance in Profit and Loss Account and any excess of consideration over net assets acquired as provided under clause 8.2.4 as on Appointed Date ('**ARIL Book Losses**'), against the securities premium account of ARIL.
- 4.3. Consequent upon the re-organization / utilization of securities premium, as mentioned in clause 4.1 and 4.2 above, the Arshiya Aggregate Book Losses and ARIL Book Loss as on Appointed Date shall be reduced to NIL.
- 4.4. The utilization of Securities Premium as aforesaid of Arshiya and ARIL respectively, shall be effected as an integral part of and in terms of this Scheme in accordance with the provisions of Section 230(2)(a) and shall constitute sufficient compliance in terms of Section 52 and Section 66 of the Companies Act, 2013 without carrying out separate compliance thereof. Further, the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital. Accordingly, the order of the Tribunal sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act as well as other applicable provisions of Companies Act 2013 confirming the reduction of share capital pursuant to utilization of the securities premium as aforesaid.
- 4.5. The accounting effect of the above sub-clauses shall be directly given in the balance sheet of Arshiya and ARIL respectively.
- 4.6. The utilization of securities premium as aforesaid of Arshiya and ARIL as envisaged in the Scheme shall not affect or impair in any manner the rights and interests of any of the creditors of Arshiya or ARIL, since Arshiya and ARIL shall, post such reduction, continue to be in a position to honor the dues of their respective creditors. Therefore, Arshiya and ARIL seeks liberty of the NCLT for dispensation of words "and reduced" to be added as suffix to its name, as contemplated in Section 66 (2) and 66 (3) of the Act.

PART - III

DEMERGER OF DOMESTIC BUSINESS UNDERTAKING

5. TRANSFER AND VESTING OF THE DOMESTIC BUSINESS UNDERTAKING

On or after the Effective Date and subject to the provisions of this Scheme and with effect from the Appointed Date, the Domestic Business Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Domestic Business Undertaking) pursuant to the provisions of Sections 230 to 232 and with other applicable provisions of the Act shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern without any further act, deed, matter or thing in the following manner:

5.1. Assets

- 5.1.1. The whole of the Domestic Business Undertaking shall without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in the Resulting Company so as to vest in the Resulting Company all rights, title and interest pertaining to the Domestic Business Undertaking;

- 5.1.2. All assets, investments, right, title or interest acquired by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Domestic Business Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the Effective date pursuant to the provisions of Sections 230 to 232 and with other applicable provisions of the Act; and
- 5.1.3. All the movable assets of the Domestic Business Undertaking and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash in hand, shall be so transferred to the Resulting Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Resulting Company to the end and intent that the property and benefit therein passes to the Resulting Company with effect from the Appointed Date. Such delivery and transfer shall be made on a date mutually agreed upon between the Demerged Company and the Resulting Company. However such date of delivery shall be such date as may be mutually agreed upon by the Demerged Company and the Resulting Company.
- 5.1.4. Pursuant to the Effective Date and with effect from the Appointed Date, all immovable property (including as per Schedule I to this scheme), whether freehold or leasehold, (including but not limited to land, buildings, offices, factories, sites and any other immovable property, including accretions and appurtenances) relating to the Domestic Business Undertaking of the Demerged Company, and any document of title, rights, interest and easements in relation thereto shall stand transferred to and be vested in the Resulting Company, without any act or deed to be done by the Demerged Company and/ or the Resulting Company and/or any other Appropriate Authority. The Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation and/ or substitution of the title to the immovable properties shall be made and duly recorded in the name of the Resulting Company by the appropriate governmental authorities and third parties pursuant to the sanction of the Scheme by the Tribunal and upon the Effective Date in accordance with the terms hereof without any further act or deed on part of the Demerged Company and/ or the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations as may be necessary for the purposes of the aforesaid mutation and/or substitution.

5.2. Contracts

- 5.2.1. All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Domestic Business Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective date, shall continue in full force and effect against or in favour of, as the case may be, the Resulting Company in which the **Domestic Business Undertaking** vests by way of demerger hereunder and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder; and
- 5.2.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Domestic Business Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the Effective date in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company in relation to the Domestic Business Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

5.3. Liabilities

- 5.3.1. All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Domestic Business Undertaking shall also, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause;
- 5.3.2. Where any of the loans raised and used, liabilities and obligations incurred, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company, have been discharged by the

Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company; and

- 5.3.3. All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Domestic Business Undertaking with prior approval of the Resulting Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same.

5.4. Licenses and Permissions

Any statutory licenses, permissions or approvals or consents held by the Demerged Company required to carry on operations of the Domestic Business Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company as if they were originally obtained by the Resulting Company. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed of by the Demerged Company relating to the Domestic Business Undertaking, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.

PART - IV

REMAINING BUSINESS

6. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 6.1. The Remaining Business of the Demerged Company and all other assets, liabilities, incentives, rights and obligations pertaining thereto shall continue to be vested in and managed by the Demerged Company in the manner as provided below.
- 6.2. All legal and other proceedings including any insurance claims by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective date and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.
- 6.3. With effect from the Appointed Date:
- 6.3.1. The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;
- 6.3.2. The Demerged Company may enter into such contracts as the Demerged Company may deem necessary in respect of the Remaining Business;
- 6.3.3. All profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profits, or losses, as the case may be, of the Demerged Company;
- 6.3.4. All assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company; and
- 6.3.5. All liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Business shall belong to and continue to remain vested in the Demerged Company.

PART V

CONSIDERATION AND ACCOUNTING TREATMENT

7. CONSIDERATION

- 7.1. In consideration of the transfer and vesting of the Demerged Undertaking in accordance with the provisions of this Scheme, the paid-up share capital of the Resulting Company shall be increased in the manner set out in this Clause.
- 7.2. Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application or deed, for every 2 (two) fully paid-up equity shares of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, subject to the provisions of Clause 7.4 below, 1 (one) fully paid-up equity share of Rs 2 each, of the Resulting Company ('**New Equity Shares**').
- 7.3. In case of any member's shareholding in the Demerged Company is such that such member becomes entitled to a fraction of 1 (one) equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificate to such member and shall consolidate such fractions and issue the consolidated shares to a trustee nominated by the Board of Directors of the Demerged Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of expenses incurred) to such members in proportion to their respective fractional entitlements. During consolidation of fractional shares, if the sum of fractional shares is not a whole integer, the Resulting Company shall issue such additional fractional share to the trustee, such that the total shares so issued shall be rounded off to the next whole integer. The issue of fractional share by the Resulting Company to the Trustee, shall form an integral part of the consideration to be paid under the Scheme and that no separate process as may be applicable under the Applicable Law, to that extent, shall be required to be followed by the Resulting Company.
- 7.4. The New Equity Shares issued in terms of clause 7.2 above, shall be listed and / or admitted to trading on the relevant stock exchange/s in India where the equity shares of the Demerged Company are listed and / or admitted to trading.
- 7.5. Upon the Scheme coming to effect, the shares to be allotted to the members of the Demerged Company by the Resulting Company shall be listed and / or admitted to trading on the relevant stock exchange/s in India where the equity shares of the Arshiya are listed and / or admitted to trading as on effective date. Accordingly, the Resulting Company shall take steps for listing simultaneously on all such stock exchange(s) within a reasonable period of the receipt of the final NCLT order sanctioning the Scheme. The Resulting Company shall make necessary applications with the provisions of Applicable Laws, including, as applicable, the provisions of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI Circular No. CFD/DIL3/CIR/2017/105 dated September 21, 2017, SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 03, 2018 and as amended from time to time. The equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing / trading are provided by the stock exchanges. The Resulting Company shall apply to Securities and Exchange Board of India through Stock Exchange for seeking relaxation under Section 19(2)(b) of Securities Contract (Regulation) Rules, 1957.
- 7.6. The New Equity Shares of the Resulting Company to be issued to the members of the Demerged Company pursuant to Clause 7.2 above shall be subject to the memorandum and articles of association of the Resulting Company and shall rank pari-passu in all respects, including dividend, with the existing equity shares of the Resulting Company.
- 7.7. The issue and allotment of New Equity Shares by the Resulting Company, to the shareholders of Demerged Company as provided in Clause 7.2 is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 62(1)(c) of the Act and all other relevant Rules, Regulations and Laws for the time being in force were duly complied with.
- 7.8. Upon the scheme becoming effective, the existing equity shares held by the Demerged Company or its nominee in the Resulting Company shall stand cancelled, extinguished and annulled and from the Effective Date. The cancellation, as aforesaid, which amounts to reduction of share capital of the Resulting Company, shall be effected as an integral part of this Scheme itself in accordance with the provisions of Section 66 of the Act and the order of the Tribunal sanctioning the scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital. Notwithstanding the reduction as aforesaid, the Resulting Company shall not be required to add "and reduced" as suffix to its name and the Resulting Company shall continue in its existing name.

8. ACCOUNTING TREATMENT

The Demerged Company and the Resulting Company shall account for the Scheme in their respective books / financial statements in accordance with applicable Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time including as provided herein below:

8.1. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY

- 8.1.1. Upon the Scheme becoming effective, the value of assets, liabilities, profits/losses or reserves pertaining to the Demerged Undertaking of the Demerged Company as appearing in the books of accounts of the Demerged Company are to be transferred to the Resulting Company in terms of clause 2 of this Scheme and shall be reduced from the respective book value of assets and liabilities of the Demerged Company.
- 8.1.2. Inter-company balances and investments (including Demerged Company's investment in Resulting Company), if any, between Demerged Company and the Resulting Company shall stand cancelled. Further, any receivables or payables, which pertains to the Demerged Undertaking, arising thereon between the Demerged Company and the Resulting Company, inter-corporate loans or balances pertaining to the Demerged Undertaking as arising between the Demerged Company and the Resulting Company or vice-versa shall also stand nullified upon the Scheme becoming effective and the Demerged Company shall pass necessary entries in its books of accounts;
- 8.1.3. The excess of assets over liabilities transferred under clause 8.1.1 and after giving effect to clause 8.1.2 above shall be adjusted against Retained Earnings. In case of deficit, the same shall be credited to capital reserve.
- 8.1.4. Notwithstanding the above, the Board of Directors of the Demerged Company are authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with accounting principle generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

8.2. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

Upon the Scheme coming into effect and with effect from the Effective Date:

- 8.2.1. The Resulting Company shall record all assets and liabilities of the Demerged Undertaking vested in it pursuant to this Scheme, at the respective values thereof, as appearing in the books of account of the Demerged Company with effect from the Effective Date.
- 8.2.2. Any receivables or payables, which pertains to the Demerged Undertaking, arising thereon between the Demerged Company and the Resulting Company, inter-corporate loans or balances pertaining to the Demerged Undertaking as arising between the Demerged Company and the Resulting Company or vice-versa shall also stand nullified upon the Scheme becoming effective and the Resulting Company shall pass necessary entries in its books of accounts;
- 8.2.3. Upon cancellation of the shares held by the Demerged Company in the Resulting Company, the Resulting Company shall debit to its equity share capital account, the aggregate face value of existing equity shares held by the Demerged Company, which stands cancelled hereof. Further, the Resulting Company shall credit the aggregate face value of the new equity shares issued by it to the members of the Demerged Company pursuant to this Scheme to the share capital account in its books of accounts;
- 8.2.4. The surplus / deficit arising on recording of the assets and liabilities as per clause 8.2.1 and 8.2.2 over the shares cancelled and consideration recorded as per clause 8.2.3 above shall be transferred to Capital Reserve / Goodwill in the balance sheet of the Resulting Company;
- 8.2.5. In case of any differences in accounting policies between the Resulting Company and the Demerged Company, the impact of such differences shall be quantified and adjusted in accordance with the applicable accounting principles;
- 8.2.6. To the extent there are any obligations of the Resulting Company towards the Demerged Undertaking, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account of the Resulting Company.

- 8.2.7. All costs and expenses incurred by the Resulting Company in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme shall be debited to the profit & loss account of the Resulting Company. However, costs pertaining to issue of equity shares shall be directly debited to the reserves of the Resulting Company.
- 8.2.8. Notwithstanding the above, the Board of Directors of the Resulting Company are authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with accounting principle generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

PART VI

GENERAL TERMS & CONDITIONS

9. RECLASSIFICATION OF AUTHORISED SHARE CAPITAL

- 9.1. Upon the Scheme being effective, the Authorised Share Capital of the Resulting Company existing on the Effective Date, without any further application, act, instrument or deed, shall be reclassified from equity shares of face value of Rs 10/- each into corresponding number of equity shares of face value of Rs. 2/- each.
- 9.2. Consequent upon the reclassification of Authorised Share Capital under Clause 9.1 above and upon the Scheme being effective, Clause V of the Memorandum of Association of the Company (relating to the Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 61 and 230-232 and other applicable provisions of the Act.
- 9.3. It is hereby clarified that for the purposes of clause 9.2 above, the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reclassification in Authorised Share Capital of the Resulting Company, and no further resolution would be required to be separately passed. Upon the Scheme being effective, the Company shall file necessary form for the reclassification of the Authorised Share Capital with the Registrar of Companies, Mumbai. Further, there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Company for the reclassification to the Authorised Share Capital.

10. TAX ASPECTS

It is intended that this Scheme will be in compliance with the conditions relating to “Demerger” as specified under Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 such that:

- 10.1. The transfer of the Domestic Business Undertaking will be on a going concern basis with effect from the Appointed Date.
- 10.2. Subject to clause 10.1 above, if any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961, the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 as on the Appointed Date; such modification shall not affect other parts of the Scheme. Upon the Effective Date, the Demerged Company and the Resulting Company are expressly permitted to file / revise their income-tax, service tax, GST, value added tax, withholding tax and other statutory returns, notwithstanding that the period for filing / revising such returns may have lapsed. Each of the Demerged Company and the Resulting Company are expressly permitted to amend tax deduction at source and other statutory certificates and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes / transactions from the Appointed Date.

11. LISTING AGREEMENT AND SEBI COMPLIANCE

- 11.1. Since the Demerged Company is listed company, this scheme is subject to the compliances by the Demerged Company of all requirements under the Listing Regulations and all statutory directives of the Securities Exchange Board of India (‘SEBI’) through its circulars insofar as they relate to sanction and implementation of the scheme.
- 11.2. The Demerged Company in compliance with Listing Regulations shall apply for the “Observation Letter” to BSE and NSE where its shares are listed.
- 11.3. The Demerged Company shall also comply with the directives of SEBI contained in circular no CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended from time to time) issued by SEBI in terms of Regulations 37 of the Listing Regulations.

12. LISTING OF EQUITY SHARES OF RESULTING COMPANY

- 12.1. Scheme of Demerger is in conformity with the requirements as laid down in sub-rule 19(7) of Securities Contract (Regulation) Rules, 1957 and in terms of the said sub-rule after allotment of New Equity Shares in Resulting Company, Resulting Company shall comply with relevant provisions under SEBI Regulations, as may be applicable in relation to listing of shares allotted, simultaneously on all stock exchanges where the equity shares of Demerged Company are listed.

Resulting Company shall make application to the SEBI in terms of Rule 19(7) of Securities Contract (Regulation) Rules, 1957 for listing of equity shares at all the stock exchanges where the equity shares of Demerged Company are listed on the Appointed Date without complying with the requirements of Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957.

ARIL shall enter into such arrangements and give such confirmations and / or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the aforesaid stock exchanges. On such formalities being fulfilled, the stock exchanges shall list and / or admit such New Equity Shares also for the purpose of trading. The New Equity Shares allotted by ARIL, pursuant to this Scheme, shall remain frozen in the depositories system till the listing / trading permission is given by the BSE.

13. APPROVAL OF SCHEME BY PUBLIC SHAREHOLDERS

- 13.1. The Approval to this Scheme of Arrangement shall be obtained from the shareholders of the Demerged Company i.e. Arshiya in accordance with SEBI circular no CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended from time to time) issued by SEBI in terms of Regulations 37 of the Listing Regulations.
- 13.2. The Scheme shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it.

14. SECURITY

- 14.1. The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgage and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof to the extent that such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking. It is agreed by and between the Demerged Company and the Resulting Company, that pursuant to the demerger, necessary steps shall be taken in order to effect the change/ modification of charges, if any, in the records of the Registrar of Companies.
- 14.2. It is clarified that unless otherwise determined by the Board of Directors of the Resulting Company, in so far as the assets comprising the Demerged Undertaking are concerned the security or charge relating to loans or borrowings of the Demerged Company, in relation to the Demerged Undertaking, shall without any further act or deed continue to relate to the said assets only after the Appointed Date and the said assets shall not relate to or be available as security in relation to any other borrowings of the Demerged Company;
- 14.2.1. Similarly, the security or charge relating to loans or borrowings of the Demerged Company, in relation to the Demerged Undertaking, shall continue to relate to the said assets only after the Appointed Date and shall not relate to or be available as security in relation to any other borrowings of the Resulting Company and vice-versa;
- 14.3. The other assets of the Demerged Company shall not relate to or be available as security in relation to the said borrowings of the Demerged Company, in relation to the Demerged Undertaking; and
- 14.4. The Demerged Company may enter into such alternate arrangements with the lenders pursuant to the release of security as per the provisions mentioned herein.

15. EMPLOYEES

- 15.1. On and from the Effective Date, all permanent employees relating to the Demerged Undertaking, as were employed by the Demerged Company, immediately before such date, shall become the employees of the Resulting Company with the benefit of continuity of service and without any break or interruption in service. It is clarified that the employees of the Demerged Undertaking, who become employees of the Resulting Company by virtue of this Scheme, shall continue to be governed by the same terms of employment as were applicable to them immediately before the demerger. The Resulting Company undertakes to abide by any agreement/settlement, if any, entered into by the Demerged Company with any of its respective employees thereof. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, or any other benefits and incentives, if any, such past services with the Demerged Company shall be taken into account.
- 15.2. It is expressly provided that, on the Effective Date, the provident fund, gratuity fund, superannuation fund created or any other special fund existing for the benefit of the employees of the Demerged Company, in relation to the Demerged Undertaking shall become the funds of the Resulting Company, for all purposes whatsoever in relation to the administration or operation of such fund(s) or in relation to the obligation to make contributions to the said fund(s) in accordance with the provisions

thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company, in relation to the Demerged Undertaking in relation to such fund(s) shall become those of the Resulting Company. These funds shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company for the benefit of the employees of the Demerged Undertaking or be transferred to and merged with other similar funds of the Resulting Company. It is clarified that the services of the employees of the Demerged Company, in relation to the Demerged Undertaking shall be treated as having been continuous for the purpose of the said fund(s); and

- 15.3. With effect from the date of filing of this Scheme with the NCLT and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees, except with the prior written consent of the Resulting Company.

16. BUSINESS AND PROPERTY IN TRUST

- 16.1. During the period between the Appointed Date and up to and including the Effective Date:
- 16.2. The Demerged Company shall be deemed to have been carrying on all the business and activities relating to the Demerged Undertaking and shall be deemed to hold and stand possessed of the entire business and undertakings in relation to the Demerged Undertaking for and on account of and in trust, on behalf of the Resulting Company.
- 16.3. All the income or profits accruing or arising to the Demerged Company and all costs, charges, expenses or losses incurred by the Demerged Company, in relation to the Demerged Undertaking shall for all purposes of this demerger be treated as the income, profits, costs, charges, expenses and losses of the Resulting Company, as the case may be.
- 16.4. Any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company; and
- 16.5. The Demerged Company shall carry on the business pertaining to the Domestic Business Undertaking with reasonable diligence and business prudence and shall not alter or diversify business within the Domestic Business Undertaking nor venture into any new business (except for Remaining Business), nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior written consent of the Resulting Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of this Scheme by the respective boards of directors of the Demerged Company and the Resulting Company.
- 16.6. The Demerged Company shall not utilize the profits or income in relation to the Demerged Undertaking for the purpose of declaring or paying any dividend in respect of the period falling on and after the Appointed Date, without the prior written consent of the Resulting Company.
- 16.7. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities or other appropriate forums as may be required under any applicable law, for such consents, approvals and sanctions which the Resulting Company may require.

17. LEGAL PROCEEDINGS

- 17.1. All legal, administrative and other proceedings, of whatsoever nature pending in any court or before any authority, judicial, quasi-judicial or administrative or any adjudicating authority and/or arising after the Appointed Date and relating to the Demerged Undertaking, or its respective properties, assets, debts, liabilities, duties and obligations shall be continued and/or enforced until the Effective date by or against the Demerged Company; and from the Effective Date, shall be continued and enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company, had the Scheme not been made. On and from the Effective Date, the Resulting Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Demerged Undertaking, in the same manner and to the same extent as would or might have been initiated by the Demerged Company as the case may be, had the Scheme not been made; and if any suit, appeal or other proceedings relating to the Demerged Undertaking, of whatever nature by or against the Demerged Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the demerger of the Demerged Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if this Scheme had not been made.

18. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against the Resulting Company, as envisaged under this Scheme, shall not affect any transaction or proceedings already concluded by the Demerged Company, in relation to the Demerged Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company, in relation to the Demerged Undertaking, as done and executed on behalf of itself.

19. VALIDITY OF EXISTING RESOLUTIONS, ADJUSTMENTS ETC.

All resolutions passed by the Demerged Company so far as they relate to or to be done or caused to be done in relation to the Demerged Undertaking, shall be deemed to have authorized any Director of the Resulting Company or such other person(s) as authorized by any two Directors of the Resulting Company to do all acts, deeds, things as may be necessary to give effect to these Resolutions.

20. DECLARATION OF DIVIDEND

For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Resulting Company from declaring and paying dividends, whether interim or final, to its equity shareholders.

21. APPLICATION TO THE TRIBUNAL

21.1. The Demerged Company shall and the Resulting Company, if required, shall make applications/ petitions to the NCLT for sanction of this Scheme, under Sections 230 to 232 read with Sections 66 and 52 and other applicable provisions of the Act; and

21.2. Any dispute arising out of this Scheme shall be subject to the jurisdiction of the NCLT, Mumbai Bench.

22. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Demerged Company and the Resulting Company (acting through their Board of Directors, Committee thereof or any director or any other person authorized by the Board of Directors, Committee thereof to this effect) may assent to any modifications or amendments to this Scheme or to any conditions or limitations that the Tribunal may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the respective Demerged Company and Resulting Company, including pursuant to the orders of the NCLT and/or any other authorities as they may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. The Demerged Company and the Resulting Company (acting through their Board of Directors, Committee thereof or any director or any other person authorized by the Board of Directors, Committee thereof to this effect) shall be authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Tribunal or of any directions given by any other appropriate authorities or for any reason otherwise arising out of this Scheme and/or any matters concerning or connected herewith.

If any part of the Scheme is held invalid or is ruled illegal by the Tribunal or becomes unenforceable for any reason, whatsoever whether under present or future laws, then it is the intention of the Companies that such part in the opinion of the board of any companies, shall be severable from the remainder of the Scheme and the remaining part of this Scheme shall not be affected thereby, unless the deletion of such part, in the opinion of Board of either of the companies, shall cause this Scheme to become materially adverse to either of the companies in which case companies shall attempt to bring about a modification in this Scheme, which will best preserve the benefits and obligations of this Scheme for companies, including but not limited to such part.

23. EFFECT OF NON-RECEIPT OF APPROVALS

23.1. In case the Scheme is not approved by the Tribunal or any of the approvals or conditions enumerated in the Scheme have not been obtained or complied with, or for any other reason, if this Scheme cannot be implemented, then the board of directors of the Demerged Company and the Resulting Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred by either the Resulting Company or the Demerged Company and each party shall bear their respective costs, charges and expenses in connection with this Scheme unless otherwise mutually agreed upon.

23.2. If any part of this Scheme hereof is invalid, held illegal by Tribunal, or unenforceable under any present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

24. COSTS, CHARGES AND EXPENSES

Save and except as provided otherwise, all costs, charges, expenses, taxes including duties, levies in connection with the Scheme and its implementation thereof, and matters incidental thereto, shall be borne by the Demerged Company and the Resulting Company respectively.

SSE - INTERNAL



DCS/AMAL/JR/R37/1530/2019-20

July 12, 2019

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

Dear Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement by Arshiya Limited

We are in receipt of Draft Scheme of Arrangement by Arshiya Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated July 12, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Arshiya Rail Infrastructure Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Arshiya Rail Infrastructure Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office: Floor 25, P1 Towers, Dalal Street, Mumbai 400 001, India
 T: +91 22 2172 1234/501 E: corporate@bseindia.com / www.bseindia.com
 Corporate Identity Number: L67120MH2003PLC155128

The Company shall fulfil the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Arshiya Rail Infrastructure Limited is at the discretion of the Exchange. In addition to the above, the listing of Arshiya Rail Infrastructure Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Arshiya Rail Infrastructure Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information Arshiya Rail Infrastructure Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Arshiya Rail Infrastructure Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - ii. "There shall be no change in the shareholding pattern of Arshiya Rail Infrastructure Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be Six Months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be is required to be served upon the Exchange seeking representations or objections if any.

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

Any service of notice under Section 230 (5) or Section 65 of the Companies Act 2013 seeking Exchange's representations or objections if any, would be accepted and processed through the Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 28, 2019 issued to the company.

Yours faithfully,


Nalin Kumar Pujari
Senior Manager



Ref: NSE/LIST/18881_I

July 15, 2019

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

Kind Attn.: Ms. Savita Dalal

Dear Madam,

Sub: Observation Letter for Scheme of Arrangement between Arshiya Limited and Arshiya Rail Infrastructure Limited

We are in receipt of Scheme of Arrangement between Arshiya Limited (“Demerged Company” or “Arshiya”) and Arshiya Rail Infrastructure Limited (“Resulting Company” or “ARIL”). The Scheme of Arrangement provides for Demerger of Domestic Business Undertaking which includes Domestic Warehousing activities (Demerged Undertaking) from Arshiya Limited (“Demerged Company” or “Arshiya”) into Arshiya Rail Infrastructure Limited (“Resulting Company” or “ARIL”).

Based on our letter reference no Ref: NSE/LIST/18881 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (‘Circular’), SEBI vide letter dated July 12, 2019, has given following comments:

- a. *The Company shall ensure that additional information, if any submitted by the Company, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circular.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

This Document is Digitally Signed



Signer: Rajendra P Bhosale
Date: Mon, Jul 15, 2019 19:00:11 IST
Location: NSE

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051,
India +91 22 26598100 | www.nseindia.com | CIN U67120MH1992PLC069769



Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from July 15, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Limited**

Rajendra Bhosale
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed



Signer: Rajendra P Bhosale
Date: Mon, Jul 15, 2019 19:00:11 IST
Location: NSE



Date: 17th November, 2018

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.
Scrip Code: 506074

Ref: Case No. 85922

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of Arrangement between Arshiya Limited (hereinafter referred to as "Demerged Company" or "Arshiya"), and Arshiya Rail Infrastructure Limited (hereinafter referred to as "Resulting Company" or "ARIL").

This is in continuation to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, read with SEBI (Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 (earlier SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015) ("Circular) and subsequent information/documents sought by you from time to time.

In terms of the provision of the above said circular and as mentioned in our application dated 10th October, 2018 we hereby submit the Complaints Report for the period commencing from 26th October, 2018 to 16th November, 2018 stating details of complaints/comments on the Scheme of Arrangement (Annexed hereto as an Annexure – I).

The Complaints Report will also be uploaded on the website of the Company i.e. www.arshyalimited.com.

Request you to kindly take the same on your record.

For Arshiya Limited



Savita Dalal
Company Secretary & Compliance Officer

Encl. as above



Arshiya Limited

Regd. Off.: 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018, India.
T: +91 22 4230 5500/502 | F: +91 22 4230 5555 | Email: info@arshyalimited.com | www.arshyalimited.com
CIN : L93000MH19B1PLC024747

ANNEXURE - I

Complaints Report

Part A

| Sr. No. | Particulars | Number |
|---------|--|----------------|
| 1. | Number of complaints received directly | 0 |
| 2. | Number of complaints forwarded by Stock Exchange | 0 |
| 3. | Total Number of complaints/comments received (1+2) | 0 |
| 4. | Number of complaints resolved | Not Applicable |
| 5. | Number of complaints pending | Not Applicable |

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1. | Not Applicable | Not Applicable | Not Applicable |

For Arshiya Limited

Savita Dalal

Savita Dalal
Company Secretary & Compliance Officer



Date: 17th November, 2018

Date: 14th May, 2019

To,
Manager - Listing Compliance
National Stock Exchange of India Limited,
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
Scrip Code: ARSHIYA

Ref: Application No. 18881

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of Arrangement between Arshiya Limited (hereinafter referred to as "Demerged Company" or "Arshiya"), and Arshiya Rail Infrastructure Limited (hereinafter referred to as "Resulting Company" or "ARIL").

This is in continuation to our application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, read with SEBI (Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 (earlier SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015) ("Circular) and subsequent information/documents sought by you from time to time.

In terms of the provision of the above said circular and as mentioned in our application dated 10th October, 2018 we hereby submit the Complaints Report for the period commencing from 22nd April, 2019 to 14th May, 2019 stating details of complaints/comments on the Scheme of Arrangement (Annexed hereto as an Annexure - J).

The Complaints Report will also be uploaded on the website of the Company i.e. <http://www.arshiyalimited.com/shareholding-information.html>.

Request you to kindly take the same on your record.

For Arshiya Limited


Savita Dalal
Company Secretary & Compliance Officer



Arshiya Limited

Regd. Off.: 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018, India.
T: +91 22 4230 5500/502 | F: +91 22 4230 5555 | Email: info@arshiyalimited.com | www.arshiyalimited.com
CIN : L93000MH1981PLC024747

Encl. as above

ANNEXURE - J

Complaints Report

Part - A

| Sr. No. | Particulars | Number |
|---------|--|----------------|
| 1. | Number of complaints received directly | 0 |
| 2. | Number of complaints forwarded by Stock Exchange | 0 |
| 3. | Total Number of complaints/comments received (1+2) | 0 |
| 4. | Number of complaints resolved | Not Applicable |
| 5. | Number of complaints pending | Not Applicable |

Part - B

| Sr. No. | Name of complainant | Date of Complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1. | Not Applicable | Not Applicable | Not Applicable |

For Arshiya Limited

Savita Dalal
Company Secretary & Compliance Officer

Date: 14th May, 2019



Arshiya Limited

Regd. Off.: 302, Level-3, Casjy House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018, India.
T: +91 22 4230 5500/502 | F: +91 22 4230 5555 | Email: info@arshiya.com | www.arshiya.com
CIN: L93000MH1981PLC024747



Date: 08th October, 2018

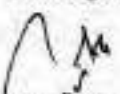
To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

COMPLIANCE REPORT

It is hereby certified that the draft scheme of arrangement involving Arshiya Limited and Arshiya Rail Infrastructure Limited does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

| Sl. | Reference | Particulars |
|-------------------------------|--|---|
| 1 | Regulations 17 to 27 of LODR Regulations | Corporate governance requirements |
| 2 | Regulation 11 of LODR Regulations | Compliance with securities laws |
| Requirements of this circular | | |
| (a) | Para (I)(A)(2) | Submission of documents to Stock Exchanges |
| (b) | Para (I)(A)(2) | Conditions for schemes of arrangement involving unlisted entities |
| (c) | Para (I)(A)(4) (a) | Submission of 'Valuation Report' |
| (d) | Para (I)(A)(5) | Auditors certificate regarding compliance with Accounting Standards |
| (e) | Para (I)(A)(9) | Provision of approval of public shareholders through e-voting |

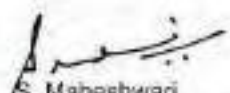
*Valuation Report is not required since there is no change in the shareholding pattern of the Demerged Company / resultant company.


Savita Dalal
Company Secretary

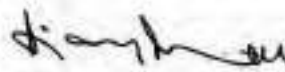



Ajay S Mittal
Managing Director

Certified that the transactions / accounting treatment provided in the draft scheme of arrangement involving Arshiya Limited and Arshiya Rail Infrastructure Limited are in compliance with all the Accounting Standards applicable to a listed entity.


S. Maheshwari
Chief Financial Officer

Arshiya Limited


Ajay S Mittal
Managing Director

Regd. Off.: 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai – 400018, India.
T: +91 22 4230 5500/502 | F: +91 22 4230 5555 | Email: info@arshiyalimited.com | www.arshiyalimited.com
CIN : L83000MH1981PLC024747

Date: 23rd April, 2019


To,
Manager - Listing Compliance
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

COMPLIANCE REPORT

It is hereby certified that the draft scheme of arrangement involving Arshiya Limited and Arshiya Rail Infrastructure Limited does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

| Sl. | Reference | Particulars |
|-------------------------------|--|---|
| 1 | Regulations 17 to 27 of LODR Regulations | Corporate governance requirements |
| 2 | Regulation 11 of LODR Regulations | Compliance with securities laws |
| Requirements of this circular | | |
| (a) | Para (I)(A)(2) | Submission of documents to Stock Exchanges |
| (b) | Para (I)(A)(2) | Conditions for schemes of arrangement involving unlisted entities |
| (c) | Para (I)(A)(4) (a) | Submission of Valuation Report* |
| (d) | Para (I)(A)(5) | Auditors certificate regarding compliance with Accounting Standards |
| (e) | Para (I)(A)(9) | Provision of approval of public shareholders through e-voting |

*Valuation Report is not required since there is no change in the shareholding pattern of the Demerged Company / resultant company.


Savita Dalal
Company Secretary




Ajay S Mittal
Managing Director

Certified that the transactions / accounting treatment provided in the draft scheme of arrangement involving Arshiya Limited and Arshiya Rail Infrastructure Limited are in compliance with all the Accounting Standards applicable to a listed entity.


S. Maheshwari
Chief Financial Officer

Arshiya Limited


Ajay S Mittal
Managing Director

Regd. Off.: 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018, India.
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CIN : L93000MH1981PLC024747

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ARSHIYA LIMITED AT ITS MEETING HELD ON THURSDAY THE 24th DAY OF MAY, 2018 EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDER

Background:

1. The proposed Scheme of arrangement is between Arshiya Limited ("**Demerged company**") and Arshiya Rail Infrastructure Limited ("**Resulting company**") and their respective shareholders and creditors ("**Scheme**") had been approved by the board of directors of the Demerged Company ("**Board**") vide the resolution passed at its meeting on May 24, 2018.
2. The provision of Section 230(2)(c) of the Companies Act, 2013 requires the Board to adopt a report explaining effect of the Scheme on each class of Shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders, laying out in particular share exchange ratio and specifying and special valuation difficulties. The said report adopted by the Board is required to be circulated to the shareholders and creditors along with the notice convening the meeting of members/creditors.
3. This report of the Board is accordingly prepared in accordance with the requirements specified under Section 230(3) (c) of the Companies Act, 2013.
4. The following documents were considered by the Board for the purpose of issuing this report:
 - a. The draft of the Scheme
 - b. Report by ZADN & Associates, Chartered Accountants in respect of share entitlement ratio.
 - c. Fairness opinion dated May 28, 2018 provided by the Marchant Banker in respect of the fairness of the share entitlement ratio.
 - d. Report of the Audit Committee of the Demerged Company, recommending the draft scheme to the Board for approval.
 - e. Certificate dated 24th day of May, 2018 issued by Chaturvedi & Shah, Chartered Accountants the statutory auditors of the company as required under section 232(3) of the companies Act, 2013 certifying that the accounting treatment in the draft scheme is in accordance with the accounting standards and applicable law.

Report:

1. The Scheme provides for the transfer of the Demerged Undertaking (as defined in the scheme) to the Resulting Company. There will be no change in the shareholding pattern of the Demerged Company.
2. Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application or deed, for every 2 (two) fully paid-up equity shares of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, 1 (one) fully paid-up equity share of Rs 2 each, of the Resulting Company ('New Equity Shares').

Effect of the Scheme on the Equity Shareholders (the only class of Shareholders) and promoters, and Non-Promoter Shareholders of the Demerged Company:

1. Basis the share exchange ration mentioned above, the Resulting Company shall issue shares to the shareholders of the Demerged Company in the ratio of 2:1 and the shares held by the Demerged Company in the Resulting Company shall be extinguished.
2. Upon the Scheme coming to effect, the shares to be allotted to the members of the Demerged Company by the Resulting Company shall be listed and / or admitted to trading on the relevant stock exchange/s in India where the equity shares of the Arshiya are listed and / or admitted to trading as on effective date. Accordingly, the Resulting Company shall take steps for listing simultaneously on all such stock exchange(s) within a reasonable period of the receipt of the final NCLT order sanctioning the Scheme.
3. Pursuant to the Scheme, all shareholders of the Demerged Company as on the Record Date (as defined in the scheme) will receive equity shares in the Resulting Company and subsequently, such shareholders of the Demerged Company will hold equity shares in both, the Demerged Company and Resulting Company, it will give such shareholders of the Demerged Company the ability to continue to remain invested in both or either of the Companies, giving them greater flexibility in managing and/or dealing with their investments.

4. The Scheme is beneficial to the respective shareholders, creditors, employees and all stakeholders of the Demerged Company and Resulting Company. The Scheme is expected to contribute in furthering and fulfilling the objectives of both the companies and in the growth and development of their respective businesses.

Basis the aforesaid, we understand that there will be no adverse effect of the scheme on the equity shareholders, directors, promoters and non-promoter shareholders of the Demerged Company.

Effect of the Scheme on the Directors and Key Managerial personnel of the Demerged Company:

5. None of the Directors and Key Managerial Personnel of the Demerged Company and their respective relatives have any interest in the scheme except to the extent the (i) equity shares held by them in the Demerged Company and the resulting Company directly or as nominee; and /or (ii) Director(s) are common director(s) in the two companies; and/or (iii) the Director(s), key managerial personnel and their respective relatives are the director(s), partner(s), members(s) and/or beneficiary(ies) of the companies, firms, association of persons, body corporates and/or trust, as the case may be, that hold shares in the Demerged Company/ Resulting Company. There will be no adverse effect of the scheme on the directors and key managerial personnel of the Demerged Company

For Arshiya Limited.

Sd/-
Ajay S Mittal
Chairman appointed for the meeting

Date: 26th February, 2021
Place: Mumbai

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ARSHIYA RAIL INFRASTRUCTURE LIMITED AT ITS MEETING HELD ON THURSDAY THE 24th DAY OF MAY, 2018 EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDER

Background:

1. The proposed Scheme of arrangement is between Arshiya Limited ("**Demerged company**") and Arshiya Rail Infrastructure Limited ("**Resulting company**") and their respective shareholders and creditors ("**Scheme**") had been approved by the board of directors of the Demerged Company ("**Board**") vide the resolution passed at its meeting on May 24, 2018.
2. The provision of Section 230(2)(c) of the Companies Act, 2013 requires the Board to adopt a report explaining effect of the Scheme on each class of Shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders, laying out in particular share exchange ratio and specifying and special valuation difficulties. The said report adopted by the Board is required to be circulated to the shareholders and creditors along with the notice convening the meeting of members/creditors.
3. This report of the Board is accordingly prepared in accordance with the requirements specified under Section 230(3) (c) of the Companies Act, 2013.
4. The following documents were considered by the Board for the purpose of issuing this report:
 - a. The draft of the Scheme
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 - c. Fairness opinion dated May 28, 2018 provided by the Marchant Banker in respect of the fairness of the share entitlement ratio.
 - d. Report of the Audit Committee of the Resulting Company, recommending the draft scheme to the Board for approval.
 - e. Certificate dated 24th day of May, 2018 issued by Chaturvedi & Shah, Chartered Accountants the statutory auditors of the company as required under section 232(3) of the companies Act, 2013 certifying that the accounting treatment in the draft scheme is in accordance with the accounting standards and applicable law.

Report:

1. The Scheme provides for the transfer of the Demerged Undertaking (as defined in the scheme) to the Resulting Company. There will be no change in the shareholding pattern of the Demerged Company.
2. Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application or deed, for every 2 (two) fully paid-up equity shares of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, 1 (one) fully paid-up equity share of Rs 2 each, of the Resulting Company ('New Equity Shares').

Effect of the Scheme on the Equity Shareholders (the only class of Shareholders) and promoters, and Non-Promoter Shareholders of the Resulting Company:

1. Basis the share exchange ration mentioned above, the Resulting Company shall issue shares to the shareholders of the Demerged Company in the ratio of 2:1 and the shares held by the Demerged Company in the Resulting Company shall be extinguished.
2. Upon the Scheme coming to effect, the shares to be allotted to the members of the Demerged Company by the Resulting Company shall be listed and / or admitted to trading on the relevant stock exchange/s in India where the equity shares of the Arshiya are listed and / or admitted to trading as on effective date. Accordingly, the Resulting Company shall take steps for listing simultaneously on all such stock exchange(s) within a reasonable period of the receipt of the final NCLT order sanctioning the Scheme.
3. Pursuant to the Scheme, all shareholders of the Demerged Company as on the Record Date (as defined in the scheme) will receive equity shares in the Resulting Company and subsequently, such shareholders of the Demerged Company will hold equity shares in both, the Demerged Company and Resulting Company, it will give such shareholders of the Demerged Company the ability to continue to remain invested in both or either of the Companies, giving them greater flexibility in managing and/or dealing with their investments.

4. The Scheme is beneficial to the respective shareholders, creditors, employees and all stakeholders of the Demerged Company and Resulting Company. The Scheme is expected to contribute in furthering and fulfilling the objectives of both the companies and in the growth and development of their respective businesses.

Basis the aforesaid, we understand that there will be no adverse effect of the scheme on the equity shareholders, directors, promoters and non-promoter shareholders of the Demerged Company.

Effect of the Scheme on the Directors and Key Managerial personnel of the Resulting Company:

5. None of the Directors and Key Managerial Personnel of the Resulting Company and their respective relatives have any interest in the scheme except to the extent the (i) equity shares held by them in the Demerged Company and the resulting Company directly or as nominee; and /or (ii) Director(s) are common director(s) in the two companies; and/or (iii) the Director(s), key managerial personnel and their respective relatives are the director(s), partner(s), members(s) and/or beneficiary(ies) of the companies, firms, association of persons, body corporates and/or trust, as the case may be, that hold shares into the Demerged Company/ Resulting Company. There will be no adverse effect of the scheme on the directors and key managerial personnel of the Resulting Company.

For Arshiya Rail Infrastructure Limited.

Sd/-
Ajay S Mittal
Chairman appointed for the meeting

Date: 26th February, 2021

Place: Mumbai

ZADN & Associates

Chartered Accountants

4th Floor, Shreeniwas House
 Hazarimal Somani Marg
 Next to MTNL Exchange Building
 Fort, Mumbai 400 001, India
 Tel: +91 22 4973 5451 / 52 / 53

May 24, 2018

To,
The Board of Directors
 Arshiya Limited
(Demerged Company)
 302, Ceejay House, Level - 3
 Shiv Sagar Estate, F- Block
 Dr. Annie Besant Road
 Worli, Mumbai – 400018, India.

To,
The Board of Directors
 Arshiya Rail Infrastructure Limited
(Resulting Company)
 302, Ceejay House, Level - 3
 Shiv Sagar Estate, F- Block
 Dr. Annie Besant Road
 Worli, Mumbai – 400018, India.

Dear Sirs,

Sub: Report on share entitlement ratio for the proposed demerger of Domestic Business Undertaking ('**Demerged Undertaking**') of Arshiya Limited ('**Demerged Company**') into Arshiya Rail Infrastructure Limited ('**Resulting Company**').

We, ZADN & Associates, Chartered Accountants ('**We**' or '**ZADN**' or '**Our**' or '**Us**'), refer to the Engagement Letter dated May 8, 2018 and related discussions we had with you, wherein the management of Arshiya Limited ('**Demerged Company**' or '**Arshiya**') and Arshiya Rail Infrastructure Limited ('**Resulting Company**' or '**ARIL**') (collectively hereinafter referred to as the '**Companies**') requested our report on the share entitlement ratio of equity shares of the Resulting Company to be issued to the equity shareholders of the Demerged Company in connection with the proposed demerger of Domestic Business Undertaking ('**Demerged Undertaking**') of Arshiya Limited on the Record Date as more elaborately defined in the proposed Scheme of Arrangement between Arshiya Limited and Arshiya Rail Infrastructure Limited, under sections 230 to 232 read with section 66 and section 52 and other applicable provisions of the Companies Act, 2013 hereinafter referred to as '**the Proposed Scheme**' or '**the Scheme**' or '**the Scheme of Arrangement**'.



1. Background:

1.1 Arshiya Limited ('Arshiya' or the 'Demerged Company')

- 1.1.1 Arshiya Limited is a listed public limited company incorporated on July 3, 1981 under the Companies Act, 1956 bearing CIN - L93000MH1981PLC024747 and its registered office is situated at 302, Level 3, Ceejay House, F - Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400 018. Equity shares of Arshiya are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') in India.
- 1.1.2 Arshiya, is a flagship company of Arshiya Group having interests in the business of developing Free Trade Warehousing Zones ('FTWZs') and Domestic Warehousing Areas ('DWAs') to improve logistics infrastructure in India.
- 1.1.3 Board of Directors of the Company as on May 12, 2018 are as under:

| Name of the Director | Begin Date |
|---------------------------------|-------------------|
| Mr. Ashishkumar Bairagra | August 7, 2006 |
| Mr. Ajay Shankarlal Mittal | October 1, 2011 |
| Mr. Shah Pankaj Rishabh | December 31, 2005 |
| Ms. Archana Ajay Mittal | October 25, 2005 |
| Mr. Mukesh Kacker | October 28, 2009 |
| Mr. Savita Kodain | July 10, 2015 |
| Mr. Santosh Mohanlal Maheshwari | February 8, 2017 |

- 1.1.4 The Authorized, Issued, Subscribed and Paid-up Share Capital of Arshiya as on May 12, 2018 is as under:

| Particulars | Amount in INR |
|--|--------------------|
| Authorised Share Capital: | |
| 247,500,000 Equity Shares of Rs. 2/- each | 495,000,000 |
| 11,000,000 Preference Shares of Rs. 10/- each | 110,000,000 |
| Total | 605,000,000 |
| Issued, Subscribed and Paid-up Share Capital: | |
| 229,716,776 Equity Shares of Rs. 2/- each | 459,433,552 |
| 5,764,619 Preference Shares of Rs. 10/- each | 57,546,190 |
| Total | 517,079,742 |

We are informed that there are no subsequent changes in the capital structure and directors on board.

- 1.1.5 As stated in the audited financial statements of Arshiya for the year ended March 31, 2017, Arshiya is in financial stress and had exited its corporate debt restructuring during FY16 pursuant to which the lending banks have assigned their financial assets pertaining to Arshiya and its other wholly owned



subsidiaries companies including ARIL to Edelweiss Asset Reconstruction Company Limited ('EARC').

- 1.1.6 Accordingly, EARC has become the secured lender and all the rights, title and interest of lending banks have vested in EARC. Arshiya has entered into Restructuring Agreement with EARC on March 31, 2017 for restructuring its bank dues wherein the debt is segregated between Restructured Rupee Loan which will carry interest of 10% p.a. and the restructured loans are payable over 7 years tenure and balance loan is to be converted by issuance of equity shares and Optionally Convertible Redeemable Preference Shares ('OCRPS') which may be converted into equity shares at the option of the holder at any time within 18 months from the date of issue of OCRPS.

- 1.1.7 As represented by the management, below table describes the number of OCRPS issued by Arshiya to EARC and their as on date conversion status:

| Particulars | No of OCRPS issued | Maximum No of Equity shares to be allotted upon conversion of OCRPS | Allotment of equity shares pursuant to conversion of OCRPS | No. of OCRPS outstanding as on date | Balance allotment of equity shares |
|--------------------|--------------------|---|--|-------------------------------------|------------------------------------|
| Series I - OCRPS | 8,423,328 | 15,485,554 | 1,588,038 | 5,764,619 | 13,897,516 |
| Series II - OCRPS | 1,310,000 | 2,382,392 | 2,382,392 | - | - |
| Series III - OCRPS | 870,000 | 4,764,785 | 4,764,785 | - | - |
| Series IV - OCRPS | 2,140,000 | 4,764,785 | 4,764,785 | - | - |
| Total | 10,743,328 | 27,397,516 | 13,500,000 | 5,764,619 | 13,897,516 |

As per clause 1.4.3 of the Proposed Scheme, it is clarified that the OCRPS issued by Arshiya does not relate to Domestic Business and accordingly, no additional / proportionate consideration shall be payable to its holders upon the Proposed Scheme becoming effective. However, any Corporate Action relating to the outstanding Series 1 - OCRPS shall be kept in abeyance till last date upto which the option for conversion is exercisable. Further, in case if there is change in any parameters or facts or any assumptions stated in this report, the report will undergo a change to the extent required.

In reference to above, management informed that if the said Series 1 - OCRPS is converted into equity shares on or before the Record Date, they will receive the equity shares of ARIL as per share entitlement report, otherwise, said Series 1 - OCRPS shall continue to be in the books of Arshiya not affecting the identical equity shareholding being created pursuant to Proposed Scheme. Further, we understand from the management that there are no on-going discussions with any other lender(s) for issuance of equity shares / convertible instrument and conversion of convertible instruments other than outstanding 5,764,619 Series 1 - OCRPS held by EARC.

1.2 Arshiya Rail Infrastructure Limited ('ARIL' or the 'Resulting Company')

- 1.2.1 ARIL is a unlisted public company incorporated on April 7, 2008 under the Companies Act, 1956 bearing CIN - U93000MH2008PLC180907 and its



registered office is situated at 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

1.2.2 ARIL is currently engaged in the business of providing Private Freight Terminal (PFT) and Rail Transportation Services (Rail). ARIL is also engaged in container train business and holding Category – I license which allows ARIL to operate on Indian Rail network on pan India basis both domestic and exim traffic.

1.2.3 Board of Directors of the Company as on May 12, 2018 is as under:

| Name of the Director | Begin Date |
|------------------------------------|------------------|
| Mr. Ashishkumar Bairagra | January 16, 2010 |
| Mr. Navnit Jugal Kishore Choudhary | January 15, 2013 |
| Mr. Shah Pankaj Rishabh | March 27, 2015 |

1.2.4 The Authorized, Issued, Subscribed and Paid-up Share Capital of ARIL as on May 12, 2018 is as under:

| Particulars | Amount in INR |
|--|--------------------|
| Authorised Share Capital: | |
| 45,000,000 Equity Shares of Re. 10/- each | 450,000,000 |
| Total | 450,000,000 |
| Issued, Subscribed and Paid-up Share Capital: | |
| 42,384,417 Equity Shares of Re. 10/- each | 423,844,170 |
| Total | 423,844,170 |

We are informed that there are no subsequent changes in the capital structure and directors on board. As per clause 9 of the Proposed Scheme, pursuant to and upon the Proposed Scheme becoming effective, it is proposed that Authorised Share Capital of ARIL, without any further application, act, instrument or deed, shall be reclassified to 22,50,00,000 Equity Shares of Rs. 2/- each.

1.2.5 As on date, ARIL is a wholly owned subsidiary of Arshiya Limited as the entire paid up equity share capital is held by Arshiya and its nominees.

1.2.6 Management of ARIL informed that currently there are no OCRPS holders in ARIL and there are no on-going discussions with any lenders for issuance of equity shares / convertible instruments.

1.2.7 The management of Arshiya Group has informed that as part of the overall group reorganization, the management has filed a Scheme of Amalgamation of Arshiya Industrial & Distribution Hub Limited ('AIDHL') and Arshiya Transport and Handling Limited ('ATHL') with Arshiya Rail Infrastructure Limited ('ARIL' or 'Resulting Company') with National Company Law Tribunal at Mumbai and is

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awaiting their approval. The appointed date for the proposed merger is October 1, 2015 as stated in the Scheme of Amalgamation.

1.2.8 AIDHL and ATHL are 100% subsidiaries of Arshiya and hence fellow subsidiaries of ARIL.

1.2.9 Further, based on the earlier Scheme of Amalgamation as adopted by the board of the companies, for every one equity share of AIDHL and ATHL, one equity share of ARIL is to be issued. Accordingly, ARIL would issue 14,992,995 equity shares to the shareholders of AIDHL (i.e. Arshiya) and 50,000 equity shares to the shareholders of ATHL (i.e. Arshiya).

1.2.10 Further AIDHL has issued 1,20,000 Zero percent Optionally Convertible Redeemable Preference Shares to Bank of Baroda (BOB) against conversion of loan amounting to INR 1,20,000,000 which was approved by Special Resolution passed on January 17, 2018. The management has informed us that as per the terms of the issuance of OCRPS, Bank of Baroda shall be entitled to equity shares of AIDHL on conversion of the said OCRPS, if the Company fail to make the redemption before the end of sixth year. However, management has represented that the said OCRPS shall be converted into equity shares before the scheme of merger becoming effective. Also as represented to us, Arshiya (Holding Company) has taken a decision in consensus with BOB that Arshiya shall buy these OCRPS and convert the same into equity shares or AIDHL shall redeem the same before the scheme of merger becoming effective.

1.2.11 As per the Preamble paragraph of the Proposed Scheme, the Proposed Scheme is also conditional upon the aforesaid merger scheme being effective first and ARIL to continue to be wholly owned subsidiary company of Arshiya as on the Record Date.

1.2.12 Please note that if the above representation by the management of Arshiya and ARIL about purchase of OCRPS from BOB and conversion or redemption of the same before the Effective Date of the merger and the Proposed Scheme is not affected then in that scenario, our recommendation of the share entitlement ratio will need to be revisited and might undergo a change, which we are unable to comment upon and it is not part of our current engagement. Further, we understand from the management that there are no on-going discussions with any other lender(s) for issuance of equity or convertible instruments by AIDHL and ATHL.

2. Objective of this Report:

2.1 As described hereinbefore in this report, the Board of Directors of Arshiya proposes to demerge its Domestic Business Undertaking and transfer into ARIL.

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- 2.2 As defined in the Proposed Scheme, 'Domestic Business Undertaking' means domestic business activities pertaining to development of Domestic Warehousing Areas ('DWAs') including investments held in the Resulting Company.
- 2.3 As informed by the management, the aforesaid proposed demerger is in line with Arshiya Group's intentions to reorganize its corporate structure and businesses which is spread across various group companies (wholly owned subsidiaries) in order to integrate / consolidate its operations by housing similar businesses into respective entities as stated below:
- i. FTWZs business in Arshiya or into an independent entity wholly owned by Arshiya.
 - ii. DWAs, RAIL, PFT and Inland Container Depot business in ARIL.
- 2.4 In reference to above, management has informed that the integration / reorganization of corporate structure of the group is to be achieved by way of transfer of Domestic Business Undertaking through the Proposed Scheme with April 1, 2019 as the Appointed Date.
- 2.5 We understand that pursuant to the Proposed Scheme, all the equity shareholders of Arshiya as on the Record Date will be issued equity shares of ARIL as per share entitlement ratio as consideration for the proposed transfer and vesting of Domestic Business Undertaking into ARIL.
- 2.6 The equity shares of Arshiya are listed on BSE and NSE in India. Accordingly, upon the Proposed Scheme coming to effect, the equity shares to be allotted to all the equity shareholders of Arshiya on the Record Date by ARIL will also be listed and / or admitted to trading on BSE and NSE in India, subject to applicable compliances.
- 2.7 Upon the Proposed Scheme becoming effective, all the equity shares held by Arshiya or its nominee in ARIL shall stand cancelled, extinguished and annulled.
- 2.8 In connection with the Proposed Scheme, we have been requested to provide a report on the share entitlement ratio of equity shares of ARIL to the shareholders of Arshiya as proposed by the management.
- 2.9 We understand that consequent to the Proposed Scheme and issuance of equity shares to all the equity shareholders of Arshiya as contemplated in the Proposed Scheme, there will be no impact on the economic and beneficial interest of the equity shareholders of Arshiya.
- 2.10 We understand that this equity share entitlement ratio report will be used for the above-mentioned purpose only and to the extent mandatorily required under applicable laws of India.
- 2.11 For the purpose of our report, we have relied on the information, explanations and representations provided to us by the management of Arshiya and ARIL. We have not

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carried out any independent tests to establish the accuracy of such information, explanations and representations. In addition, we have listed the scope of work in the course of our assignment, noting any limitations on our assignment. This report is subject to the attached limiting conditions and terms for this assignment, as may be described in this report or in our engagement letter.

3. Sources of Information:

For the purpose of this share entitlement ratio exercise, we have relied on the following information provided to us by the management of the Demerged Company and Resulting Company and information available in the public domain:

- 3.1 Draft Scheme of Arrangement between Arshiya and ARIL proposed to be adopted at the Board meetings of both the companies;
- 3.2 Scheme of Amalgamation of Arshiya Industrial & Distribution Hub Limited ('AIDHL') and Arshiya Transport and Handling Limited ('ATHL') with Arshiya Rail Infrastructure Limited ('ARIL');
- 3.3 Audited financial statements of the Demerged and Resulting Company for the year ended March 31, 2017;
- 3.4 Current Shareholding pattern of the Demerged Companies and Resulting Company;
- 3.5 Desired capital structure and equity shares of ARIL proposed to be issued to the shareholders of Arshiya on demerger of the Domestic Business Undertaking into ARIL;
- 3.6 Representation with regards to dealing with OCRPS issued to Bank of Baroda by AIDHL as detailed in paragraph 1.2.10 of this report;
- 3.7 Other relevant data and information provided to us either in written or oral form or in form of soft copy and discussions with the representatives of management of Arshiya Group;
- 3.8 Representation letter dated May 23, 2018, and
- 3.9 Relevant information in public domain.



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4. Exclusions and Limitations:

- 4.1 This report is subject to the limitations detailed herein. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents and representations referred to herein.
- 4.2 Our work was not designed to verify the accuracy or reliability of the information provided to us and nothing in this report should be taken to imply that we have conducted procedures, audits or investigations in an attempt to verify or confirm any of the information supplied to us.
- 4.3 In addition, we do not take any obligation or responsibility for any changes in the information used by us to arrive at our conclusion as set out herein which may occur subsequent to the completion of scope of work and the date of the report.
- 4.4 We further assume that the managements of both all the Companies have brought to our attention any and all factors having an impact on the determination of the share entitlement ratio.
- 4.5 We have been given to understand by the managements of the Companies that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility for any errors in the above information furnished by the Companies and their impact on the present exercise.
- 4.6 Whilst all reasonable care has been taken to ensure that the factual statements in the report are accurate, neither ourselves, nor any of our Partners, Officers or Employees shall, in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim all liabilities, which may arise based upon the information used in this report. We are not liable to any third party in relation to the issue of this report.
- 4.7 We have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by us.
- 4.8 Any person / party, intending to provide finance / invest in the shares / business of the company or for any other reason whatsoever, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 4.9 This exercise of commenting on the share entitlement ratio for the proposed demerger is not and must not be interpreted as our opinion or estimate of the absolute market value or independent fair value of the equity shares or any class or number of equity shares pre or post demerger.



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- 4.10 Our scope of work is limited to expression of our view on the proposed share entitlement ratio and its impact on the economic interest of the shareholders of the Companies. Our report is not, nor should it be construed as, our opining or certifying the compliance of the proposed demerger of the Demerged Undertaking with the provisions of any law or any legal implications or issues arising from such Proposed Scheme.
- 4.11 Our recommendation should be considered to be in the nature of non-binding advice.
- 4.12 This report has been prepared exclusively for the use of Arshiya and ARIL and solely for the purpose of recommending a share entitlement ratio for the Proposed Scheme. Hence, this report should not be provided or used for any purpose, whether in whole or in part without our prior written consent, to any other person and for any other purpose except that as is mentioned earlier in this report. However, we understand that you may share this report with your advisors supporting the proposed transaction as well as statutory authorities. Please note that we do not accept any responsibility to your advisors or any third party with regard to this report.

We would like to draw attention to important representations by the management as detailed in paragraph 1.1.7 and paragraph 1.2.10 of this report. The share entitlement ratio mentioned in this report is on the basis of those representations. While we take no responsibility for implementing the actions or non-implementing the actions by the managements in the representations, we would want to bring to the attention that non-fulfillment of the representations could have an impact on the share entitlement ratio. We are unable to comment on the quantum (whether substantial or not) of impact due to non-fulfillment of the actions committed in those representations.

5. BASIS OF DETERMINATION OF SHARE ENTITLEMENT RATIO:

Our evaluation towards the share entitlement ratio considers the following aspects:

- 5.1 The estimate of net assets, working capital requirements and capital base required for the Domestic Business Undertaking / ARIL as independently assessed by the management of Arshiya and ARIL.
- 5.2 Based on the above assessment the management has proposed the number of equity shares to be issued such that ARIL is appropriately capitalized;
- 5.3 As on date, ARIL is a wholly owned subsidiary ('WOS') of Arshiya and shall continue to be WOS of Arshiya till the effective date / Record Date of the Proposed Scheme.
- 5.4 As detailed earlier, the management is also in the process of merging AIDHL and ATHL with ARIL, all WOS's of Arshiya.

Strictly Private and Confidential



- 5.5 Pursuant to clauses in the Proposed Scheme with regards to dealing with Series 1 - OCRPS as detailed in paragraph 1.1.7 of this report and representations by the management in paragraph 1.2.10 of this report would be implemented prior to the Record Date, the equity shares issued in ARIL to the shareholders of Arshiya would be in the same proportion in which they hold equity shares in Arshiya on the Record Date and such allotment would be value neutral to the equity shareholders of Arshiya.
- 5.6 As per Part V clause 7.8 of the Proposed Scheme, upon the scheme becoming effective, all the equity shares held by the Demerged Company or its nominee in the Resulting Company shall stand cancelled, extinguished and annulled. As such, the equity shareholding pattern of ARIL post implementation of the representations and the Proposed Scheme, would be identical to the equity shareholding pattern of Arshiya.
- 5.7 Accordingly as stated in clause 1.5 of the Proposed Scheme, all the equity shareholders of Arshiya as on the Record Date would be entitled to equity shares of ARIL in the same proportion in which they currently own directly in Arshiya resulting into identical shareholders to Arshiya and ARIL. Accordingly, even after the Proposed Scheme coming into effect, the economic and beneficial interest will remain within the existing shareholders of Arshiya in the same proportion as they hold in Arshiya as on the Record Date.
- 5.8 Thus, share entitlement ratio would not have any impact on the ultimate value of the equity shareholders of Arshiya and the proposed demerger of Domestic Business Undertaking of Arshiya into ARIL will be value-neutral to Arshiya's equity shareholders. The background and rationale for the scheme has been provided in the Proposed Scheme.
- 5.9 Accordingly, the determination of share entitlement ratio of the companies is at best an internal arrangement between the Demerged Company and Resulting Company and its shareholders and a detailed valuation of the Companies to determine the share entitlement ratio would not be relevant in the present case.
- 5.10 The share entitlement ratio and the number of equity shares to be allotted pursuant to demerger, is of no material relevance since there will be no loss of economic interest in the hands of equity shareholders of Arshiya. Accordingly, for the purpose of recommending a share entitlement ratio we are not attempting to arrive at the absolute values of equity shares of each company.
- 5.11 Accordingly, in our opinion based on the representations and information provided by the management, as there will be no change in the shareholding pattern of Arshiya pursuant to the Scheme, no valuation report is required as per Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by SEBI, as may be amended from time to time.



- 5.12 Further, we have been informed by the management of ARIL that upon the effective date, the Authorized Equity Share Capital of Arshiya would be increased by the requisite amount, if required, so that issued paid up share capital post the allotment pursuant to the Scheme is lower than the authorized capital.
- 5.13 Considering the above, the share entitlement ratio for demerger of Domestic Business Undertaking of Arshiya into ARIL, as suggested by the managements of both the Companies and as stated under we believe that the share entitlement ratio is fair and equitable considering that all the shareholders of Arshiya upon demerger will become the shareholders of ARIL and ultimate beneficial owners of Arshiya and ARIL will be held by the same shareholders in same proportion. Accordingly,

"1 (One) fully paid equity share of Face Value INR 2 (Rupees Two) each of ARIL is to be issued for every 2 (Two) fully paid equity shares of Face Value INR 2 (Rupees Two) each held in Arshiya."

For ZADN & Associates
Chartered Accountants
FRN. 112306W


Zulfiqar Shivji
Partner



M. No.100666
Place: Mumbai

To,
 The Board of Directors,
 Arshiya Limited
 302, Level 3, Ceejay House,
 F-Block, Shiv Sagar Estate,
 Dr. Annie Besant Road, Worli,
 Mumbai – 400 018

Independent Auditor's Certificate in respect of proposed accounting treatment as mentioned in Scheme of Amalgamation Between Arshiya Limited ('Demerged Company' or 'Arshiya') AND Arshiya Rail Infrastructure Limited ('Resulting Company' or 'ARIL') AND their respective shareholders (**hereinafter referred to as 'the Scheme'**).

1. This Certificate is issued in accordance with the terms of our engagement with **Arshiya Limited ('the Company')**.
2. The accounting treatment proposed by the Company is specified in Clause 8 of the Scheme. For ease of reference, the said Clause 8 of the Scheme, duly authenticated on behalf of the Company, are reproduced in Annexure to this Certificate ('the Statement') and initialled by us only for the purposes of identification.

Management's Responsibility

3. The responsibility for preparation of the Scheme and its compliance with relevant laws and regulations, including the applicable Indian Accounting Standards read with the rules made thereunder and other Generally Accepted Accounting principles, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

4. Our responsibility is only to examine and report whether the accounting treatment proposed by the Company as specified in Clause 8 of the Scheme as reproduced in the Statement is in conformity with the Indian Accounting Standards specified in Section 133 or any other provisions of the Companies Act, 2013 and in line with the Generally Accepted Accounting Principles in India. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

UP

5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this Certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal and proprietary nature in the aforesaid Scheme.

Opinion

7. Based on our examination and according to the information and explanations provided to us by the Management of the Company, we are of the opinion that the accounting treatment proposed by the Company as specified in Clause 8 of the Scheme and reproduced in the Statement, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Indian Accounting Standards notified by the Central Government under the Companies Act 2013 and other Generally Accepted Accounting Principles in India.

Restriction on Use

8. The Certificate is provided to the Board of Directors of the Company in connection with the scheme and for the purpose of onward submission to the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India and Stock Exchange(s) and should not be used by any other person/ authority or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. 101720W


Vijay Napawaliya

Partner

Membership No.: 109859

Place: Mumbai

Date: May 24, 2018

Encl.: as above



Chartered Capital And Investment Ltd.

419-C, '215 ATRIUM', Andheri Kurla Road, Andheri (East), Mumbai-400 093.
Tel.: 91-22-6682 4111 / 6222 • Website : www.charteredcapital.net

Date: May 24, 2018

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

To,
The Board of Directors
Arshiya Rail Infrastructure Limited
302, Ceejay House, Level - 3
Shiv Sagar Estate, F- Block
Dr. Annie Besant Road
Worli, Mumbai - 400018, India

Dear Sirs,

Subject: Fairness Opinion on Share Entitlement Ratio Report for the proposed demerger of Domestic Business Undertaking ('Demerged Undertaking') of Arshiya Limited ('Arshiya' or 'Demerged Company') into Arshiya Rail Infrastructure Limited ('ARIL' or 'Resulting Company').

I. BACKGROUND

We M/s. Chartered Capital and Investment Limited ('**Chartered Capital**' or '**CCIL**'), SEBI registered Merchant Banker, having SEBI Permanent Registration No. INM000004018 have been appointed by the Arshiya Limited ('**Arshiya**' or '**Demerged Company**') and Arshiya Rail Infrastructure Limited ('**ARIL**' or '**Resulting Company**') to provide a fairness opinion on the Share Entitlement Ratio Report by M/s. ZADN & Associates, Chartered Accountants having their office at 4th Floor, Shreeniwas House, Hazarimal Somani Marg, Next to MTNL Exchange Building, Fort, Mumbai-400001, who were the appointed for issuing report on the Share Entitlement Ratio of equity shares of the Resulting Company to be issued to the shareholders of the Demerged Company in connection with the proposed demerger of Domestic Business Undertaking ('**Demerged Undertaking**') of Arshiya Limited in the proposed Scheme of Arrangement between Arshiya Limited and Arshiya Rail Infrastructure Limited, under sections 230 to 232 read with section 66 and section 52 and other applicable provisions of the Companies Act, 2013 hereinafter referred to as '**the Proposed Scheme**' or '**the Scheme**' or '**the Scheme of Arrangement**'.

Regd. Office : 711, Mahakant, Opp. V. S. Hospital, Ellisbridge, Ahmedabad - 380 006.
CIN NO: L45201GJ1998PLC008577





The fairness opinion has been issued for the proposed demerger of Domestic Business Undertaking of Arshiya Limited into Arshiya Rail Infrastructure Limited pursuant to the requirement and in compliance with SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 read with SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, SEBI Circular No. CFD/DIL3/CIR/2017/105 dated September 21, 2017 and SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 03, 2018.

II. COMPANIES THAT ARE PARTY TO THE PROPOSED SCHEME

- 2.1 Arshiya Limited is a listed public limited company incorporated on July 3, 1981 under the Companies Act, 1956 bearing CIN - L93000MH1981PLC024747 and its registered office is situated at 302, Level 3, Ceejay House, F - Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018. Equity shares of Arshiya are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') in India.
- 2.2 Arshiya, is a flagship company of Arshiya Group having interests in the business of developing Free Trade Warehousing Zones ('FTWZs') and Domestic Warehousing Areas ('DWAs') to improve logistics infrastructure in India.
- 2.3 Arshiya Rail Infrastructure Limited ("**ARIL**") is a unlisted public company incorporated on April 7, 2008 under the Companies Act, 1956 bearing CIN - U93000MH2008PLC180907 and its registered office is situated at 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
- 2.4 ARIL is currently engaged in the business of providing Private Freight Terminal (PFT) and Rail Transportation Services (Rail). ARIL is also engaged in container train business and holding Category - I license which allows ARIL to operate on Indian Rail network on pan India basis both domestic and exim traffic.
- 2.5 As on date, ARIL is a wholly owned subsidiary of Arshiya Limited as the entire paid up equity share capital is held by Arshiya and its nominees.
- 2.6 The management of Arshiya Group has informed that as part of the overall group reorganization, the management has filed a Scheme of Amalgamation of Arshiya Industrial & Distribution Hub Limited ('**AIDHL**') and Arshiya Transport and Handling Limited ('**ATHL**') with Arshiya Rail Infrastructure Limited ('**ARIL**' or '**Resulting Company**') with National Company Law





Tribunal at Mumbai and is awaiting their approval. The appointed date for the proposed merger is October 1, 2015 as stated in the Scheme of Amalgamation.

- 2.7 AIDHL and ATHL are 100% subsidiaries of Arshiya and hence fellow subsidiaries of ARIL.
- 2.8 As per the Preamble paragraph of the Proposed Scheme, the Proposed Scheme is also conditional upon the aforesaid merger scheme as mentioned in point 2.6 above being effective first. In case the scheme as mentioned in point 2.6 above is withdrawn or ARIL ceases to be a wholly owned subsidiary of Arshiya as on the Record date, the proposed scheme will also be withdrawn.

III. INFORMATION RECEIVED AND RELIED UPON BY US FOR THE FAIRNESS OPINION

- 3.1 We, CCIL, have prepared the **Fairness Opinion** on the basis of the following information received from the management of the Companies:
 - a) Draft Scheme of Arrangement between Arshiya and ARIL proposed to be adopted at the Board meetings of both the companies;
 - b) Perused the Report on Share Entitlement Ratio given by M/s. ZADN & Associates, Chartered Accountants dated May 24, 2018.
 - c) Scheme of Amalgamation of Arshiya Industrial & Distribution Hub Limited ('AIDHL') and Arshiya Transport and Handling Limited ('ATHL') with Arshiya Rail Infrastructure Limited ('ARIL');
 - d) Audited financial statements of the Demerged and Resulting Company for the year ended March 31, 2017;
 - e) Current Shareholding pattern of the Demerged Company and Resulting Company;
 - f) Desired capital structure and equity shares of ARIL proposed to be issued to the shareholders of Arshiya on demerger of the Domestic Business Undertaking into ARIL;
 - g) Such other information and explanations that have been provided to us by the management of Arshiya and ARIL;
 - h) Relevant Information in public domain.
- 3.2 This Report is issued on the understanding that Arshiya Limited and Arshiya Rail Infrastructure Limited has drawn our attention to all the relevant





matters, of which they were aware of, concerning the respective company's financial position and businesses, which may have an impact on this Report.

- 3.3 Our work does not constitute an audit or certification of the historical financial statements of Arshiya Limited and Arshiya Rail Infrastructure Limited, including their working results referred to in this Report. Accordingly, we are unable to and do not express any opinion on the accuracy of any financial information referred to in this Report. We assume no responsibility for any errors in the information submitted by the Managements and their impact on the present exercise.

IV. DISCLAIMER

- 4.1 We have not considered any finding made by other external agencies in carrying out this work.
- 4.2 This report* is intended solely for the limited purpose mentioned earlier and should not be regarded as a recommendation to the investors to invest in Arshiya Limited and Arshiya Rail Infrastructure Limited or deal in any form in the securities of the Companies and should also not be considered as a final equity value of the Companies.
- 4.3 Our report does not, in any way, guarantee that the equity shares of Companies will continue to remain at the price on which the valuation of the shares takes place.
- 4.4 Our report is for the benefit of and confidential use by the Companies. This report is not meant for sale and except as specified above, under any Indian or foreign law, statute, act guideline or similar instruction. The Companies are prohibited from using this report other than for its sole limited purpose and not to make a copy of this report available to any party other than those required by statute for carrying out the limited purpose of this report.
- 4.5 We have not made an appraisal or independent valuation of any of the assets or liabilities of any of the Companies and have not conducted an audit or due diligence or reviewed/ validated the financial data except what is provided for in the Valuation Report and financial data provided to us by the Company or Valuer.
- 4.6 This Certificate may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same.
- 4.7 During the course of our work, we have relied upon assumptions made by management of the companies. These assumptions require the exercise of judgement and are subject to uncertainties.





- 4.8 In no circumstances whatsoever, will Chartered Capital and Investment Limited, its Directors and employees, accept any responsibility of liability towards any third party for consequences arising out of the use of this report.

V. OPINION ON SHARE ENTITLEMENT RATIO REPORT

The proposed demerger of Domestic Business Undertaking of Arshiya into ARIL will be value neutral to the equity shareholders of Arshiya, there will be no impact on the economic and beneficial interest of the equity shareholders of Arshiya and it would not have any impact on the ultimate value of the equity shareholders of Arshiya. Based on the information, material, data made available to us, including the Share Entitlement Ratio Report, to best of our knowledge and belief, Share Entitlement Ratio suggested by M/s. ZADN & Associates, Chartered Accountants under the Scheme, i.e.

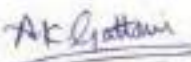
"1 (One) fully paid equity share of Face Value INR 2 (Rupees Two) each of ARIL is to be issued for every 2 (Two) fully paid equity shares of Face Value INR 2 (Rupees Two) each held in Arshiya is Fair."

Thanking you,

Yours faithfully,

For and on behalf of,

For Chartered Capital and Investment Limited


Amitkumar Gattani
Assistant Vice President



Arshiya Limited
Balance Sheet as at 31st March, 2019

| (Rs. in Lakh) | | | |
|--|-------|---------------------------|---------------------------|
| Particulars | Notes | As at 31st March, 2019 | As at 31st March, 2018 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 5 | 73,658.36 | 94,138.63 |
| (b) Capital Work-in-Progress | | 78.02 | - |
| (c) Intangible Assets | 6 | 845.86 | 1,235.96 |
| (d) Intangible Assets Under Development | | 60.00 | - |
| (e) Financial Assets | | | |
| (i) Investments | 7 | 1,34,686.02 | 1,32,018.03 |
| (ii) Loans | 8 | 1,732.14 | 1,731.47 |
| (iii) Trade Receivables | 9 | 6,061.50 | - |
| (f) Other Non-Current Assets | 10 | 3,320.34 | 2,273.81 |
| | | 2,29,634.24 | 2,31,157.90 |
| Current assets | | | |
| (a) Inventories | 11 | 16,805.97 | - |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 12 | 814.64 | 764.60 |
| (ii) Cash and Cash Equivalents | 13 | 5.86 | 135.60 |
| (iii) Bank Balances Other than (i) above | 14 | 15.17 | 0.64 |
| (iv) Loans | 15 | 30,327.14 | 33,279.99 |
| (v) Other Financial Assets | 16 | 4,082.66 | 1,848.71 |
| (c) Other Current Assets | 17 | 2,134.00 | 2,319.64 |
| | | 53,865.73 | 38,348.57 |
| Total Assets | | 2,74,519.97 | 2,69,746.57 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 18 | 4,372.28 | 4,364.34 |
| (b) Other Equity | 19 | 1,68,543.28 | 1,60,350.30 |
| | | 1,71,515.57 | 1,64,914.64 |
| Liabilities | | | |
| Non Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 20 | 60,267.20 | 68,939.87 |
| (ii) Other Financial Liabilities | 21 | 1,812.72 | 2,191.80 |
| (c) Provisions | 22 | 118.93 | 151.02 |
| | | 61,998.85 | 71,182.49 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 23 | 9,261.16 | 10,488.81 |
| (ii) Trade Payables | 24 | | |
| Micro and Small Enterprises | | 37.88 | 0.89 |
| Others | | 584.91 | 581.66 |
| (iii) Other Financial Liabilities | 25 | 28,679.14 | 21,500.33 |
| (c) Other Current Liabilities | 26 | 1,434.11 | 1,062.48 |
| (c) Provisions | 27 | 8.36 | 9.57 |
| | | 41,005.56 | 33,649.44 |
| Total Equity and Liabilities | | 2,74,519.97 | 2,69,746.57 |

Notes to the Financial statements

1 to 67

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number 101720W/W1 00355

Vijay Napawalia
 Partner

Membership Number: 109809



Place: Mumbai
 Date: 27th May, 2019

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

Ajay S Mittal
 Chairman and Managing Director
 DIN: 00226305

Ashishkumar Balraja
 Independent Director
 DIN: 00049691

Savitri Datta
 Company Secretary

Archana A Mittal
 Joint Managing Director
 DIN: 00703298

S. Maheshwari
 Chief Financial Officer

Dinesh Kumar Sodani
 VP, Accounts & Finance

Arshiya Limited
Statement of Profit and Loss for the year ended 31st March, 2019

(Rs. in Lakh)

| Particulars | Notes | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
|---|-------|--------------------------------|--------------------------------|
| INCOME | | | |
| Revenue from operations | 28 | 13,139.08 | 8,542.02 |
| Other income | 29 | 2,192.46 | 1,020.09 |
| Total Income (I) | | 15,332.46 | 9,562.11 |
| EXPENSES | | | |
| Cost of Inventories (Lease Land) | 30 | 2,583.34 | - |
| Material handling and other charges | 31 | 87.63 | 320.61 |
| Employee benefits expenses | 32 | 1,720.28 | 1,456.61 |
| Finance costs | 33 | 11,236.53 | 13,761.94 |
| Depreciation and amortization expenses | 34 | 1,482.22 | 2,091.67 |
| Other expenses | 35 | 1,038.20 | 1,332.46 |
| Total Expenses (II) | | 18,148.20 | 18,963.29 |
| Profit(loss) before exceptional items and tax (I-II) | | (2,815.74) | (9,401.18) |
| Exceptional items (net) | 36 | 700.75 | (13,290.84) |
| Profit(loss) before tax | | (3,516.49) | 3,895.66 |
| Tax expense: | 59 | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| Profit(loss) for the year | | (3,516.49) | 3,895.66 |
| OTHER COMPREHENSIVE INCOME | | | |
| Item not to be reclassified to profit and loss in subsequent periods: | | | |
| Remeasurement of gains(losses) on defined benefit plans | | 8.11 | (2.69) |
| Other Comprehensive income(loss) for the year | | 8.11 | (2.69) |
| Total Comprehensive (Loss)/Income for the year | | (3,508.38) | 3,892.97 |
| Earning per share (face value of Rs. 2 each) | 58 | | |
| Basic and Diluted | | (1.48) | 2.13 |

Notes to the financial statements

1 to 67

As per our report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720/WV/100355

Vijay Napawaliya
Vijay Napawaliya
Partner
Membership Number: 109859



Place: Mumbai
Date: 27th May, 2019

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

Ajay S Mittal
Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Ashishkumar Belagare
Ashishkumar Belagare
Independent Director
DIN: 00049591

Savitri Datar
Savitri Datar
Company Secretary

Archana A Mittal
Archana A Mittal
Joint Managing Director
DIN: 00703205

S. Maheshwari
S. Maheshwari
Chief Financial Officer

D. Sodani
Dinesh Kumar Sodani
VP: Accounts & Finance

Arshiya Limited

Statement of changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital (Refer Note No. 16)

| Particulars | Rs. in Lakh |
|--|-------------|
| Equity Shares of Rs. 2 each issued, subscribed and paid up | 3,123.50 |
| As at 31st March, 2017 | 5,440.75 |
| Issue of Equity Shares | 4,994.34 |
| As at 31st March, 2018 | |
| Issue of Equity Shares | 307.35 |
| As at 31st March, 2019 | 4,872.29 |

B. Other Equity (Refer Note No. 19)

| Particulars | Share application money pending allotment | Money received against share warrants | Equity Component of 8% Convertible Preference shares (OCRPS) | Reserve and Surplus | | | Total |
|---|---|---------------------------------------|--|----------------------|----------------------------|-----------------|-------------------|
| | | | | Amalgamation Reserve | Securities Premium Account | General Reserve | Retained Earnings |
| Balances as on 31st March, 2017 | 18,766.71 | - | 88,630.84 | 124.80 | 79,617.43 | 940.18 | (64,332.91) |
| Profit/(loss) for the year | - | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | - | - | - |
| On issue of equity shares | (18,766.71) | - | (41,008.97) | - | 95,278.06 | - | 35,441.18 |
| Money received against share warrants | - | 860.25 | - | - | - | - | 860.25 |
| Transaction costs on issue of equity shares | - | - | - | - | (37.62) | - | (37.62) |
| Fair value of financial liabilities | - | - | - | - | - | - | - |
| Conditional lease rent | - | - | - | - | - | - | - |
| Balances as at 31st March, 2018 | - | 860.25 | 47,621.87 | 124.80 | 1,74,868.67 | 940.18 | (63,915.43) |
| Profit/(loss) for the year | - | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | - | - | - |
| Money received against share warrants | - | 15.00 | - | - | - | - | - |
| On issue of equity shares | - | (175.25) | (47,551.87) | - | - | - | - |
| Balances as at 31st March, 2019 | - | - | - | 124.80 | 2,33,892.16 | 940.18 | (87,493.89) |
| | | | | | | | 1,46,643.29 |

1 to 67

Notes to the financial statements
As per our report of even date

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

For Chaturvedi & Shah LLP
Chartered Accountants

Firm Registration Number 101720ANNV10085

Vijay Nageswariya
Partner
Membership Number: 106632



Place: Mumbai
Date: 27th May, 2019

Abhy S Mittal
Chairman and Managing Director
DIN: 00220355

S. Maheshwari
Chief Financial Officer

Arshana A Mittal
Joint Managing Director
DIN: 00702028

Savitri Datta
Company Secretary

Ashish Kumar Bhatnagar
Independent Director
DIN: 00049591

Dinesh Kumar Sodani
V.P. Accounts & Finance

Arshiya Limited
Cash Flow Statement for the year ended 31st March, 2019

(Rs. in Lakh)

| Particulars | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
|--|--------------------------------|--------------------------------|
| Cash flow from operating activities | | |
| Profit/(Loss) before tax | (3,516.49) | 3,895.66 |
| Adjustments for | | |
| Sundry balances written back (net) | (206.27) | (175.85) |
| Discarding/written off of Property, plant and equipment and Intangible assets | 166.34 | - |
| Gain on monetization of Property, Plant and Equipment (Refer Note No. 55) | - | (15,633.29) |
| Profit on disposal of Property, plant and equipment (net) | (0.33) | - |
| Bad debts | 3.16 | - |
| Allowance for doubtful debts | 8.68 | 7.33 |
| Settlement of claims | 700.75 | (2,001.74) |
| Loss on sale of investment in subsidiary (Refer Note No. 54.2) | - | 4,338.18 |
| Depreciation and amortization expense | 1,482.22 | 2,061.67 |
| Finance costs | 11,236.53 | 13,761.94 |
| Unwinding interest income on loan to subsidiaries | (420.02) | (185.51) |
| Interest income on fixed deposits | (0.19) | - |
| Liability Component of Compound Financial Instruments (OCRPS) | (653.17) | - |
| Financial guarantees income | (899.96) | (939.31) |
| Foreign exchange difference (net) | 12.51 | (15.22) |
| Operating profit before working capital changes | 7,815.66 | 5,443.87 |
| Adjustments for | | |
| Change in inventories | 2,583.34 | - |
| (Increase) in financial and other assets | (9,350.47) | (2,183.18) |
| (Decrease) in financial and other liabilities | (844.66) | (11,630.30) |
| Cash generated from operations | 297.25 | (8,369.61) |
| Direct taxes paid (net of refunds) | (118.27) | (705.14) |
| Net cash flow from operating activities (A) | 178.98 | (9,074.75) |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipments | (49.76) | (89.78) |
| Purchase of intangible assets | - | (1,120.00) |
| Purchase of Capital work in progress and intangible assets under development | (45.37) | - |
| Proceeds from sale of property, plant and equipment | 2.36 | 60.00 |
| Proceeds from monetization of property, plant and equipments | - | 43,400.00 |
| Capital advance | (1,020.41) | (68.24) |
| Investment made in equity shares | (23.00) | (155.50) |
| Sale of investment in subsidiaries | - | 330.84 |
| Loans given to subsidiaries (net) | 1,892.10 | (33,274.20) |
| Interest income on fixed deposits | 0.19 | - |
| Net cash flow from investing activities (B) | 756.11 | 9,059.12 |
| Cash flow from financing activities | | |
| Issue of Equity shares (including Security Premium) | - | 15,268.38 |
| Money received against share warrants | 15.00 | 865.25 |
| Proceeds from non-current borrowings | 2,611.82 | 3,200.00 |
| Repayment of non-current borrowings | (1,248.03) | (16,071.01) |
| Short-term borrowings (Net) | (1,227.65) | 5,543.64 |
| Unpaid Dividend transfer to IEPF A/c | (0.04) | - |
| Interest paid | (1,200.89) | (6,737.10) |
| Net cash flow from financing activities (C) | (1,048.79) | 74.16 |
| Net increase/(Decrease) in cash and cash equivalents (A+B+C) | (114.70) | 58.53 |
| Cash and cash equivalents at the beginning of the year | 135.73 | 77.20 |
| Cash and cash equivalents at the end of the year (Refer Note No. 13 and 14) | 21.03 | 135.73 |



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Arshiya Limited

Cash Flow Statement for the year ended 31st March, 2019

Change in liabilities arises from financing activities

(Rs. in Lakh)

| Particulars | Long term Borrowings | Short term Borrowings |
|---|----------------------|-----------------------|
| As at 1st April, 2018 | 84,007.14 | 10,488.81 |
| Add: Transaction cost | 305.77 | - |
| Less: Conversion of Liability Component of Compound Financial Instruments (OCRPS) into Equity | (10,342.61) | - |
| Add: Non cash items | 845.00 | - |
| Add/Less: Cash flow (net) | 1,363.79 | (1,227.65) |
| As at 31st March, 2019 | 76,179.09 | 9,261.16 |

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.
3. Classification of Land from Property, plant and equipment to inventories has been considered as non cash items (Refer note no.44).

Notes to the financial statements

1 to 57

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number 101720WW100355

Vijay Napawalia

Partner

Membership Number: 108859



Place: Mumbai

Date: 27th May, 2019

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

Ajay S Mittal

Chairman and Managing Director

DIN: 00226355

Ashishkumar Boiraga

Independent Director

DIN: 00045991

Savitha Doshi

Company Secretary

Archana A Mittal

Joint Managing Director

DIN: 00703206

S. Maheshwari

Chief Financial Officer

Dinesh Kumar Sodani

VP: Accounts & Finance

Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

1 Corporate Information

Arshiya Limited (the Company) is a unified supply chain and integrated logistics infrastructure solution provider and is engaged in the business of Free Trade and Warehousing Zone (FTWZ), Domestic Warehousing Zone and value added services along with development, operations and maintenance of FTWZ.

These statements comprises of financial statements of Arshiya limited (CIN : L93000MH1981PLC024747) for the year ended 31st March, 2019. The Company is a public company domiciled in India and is incorporated on 3rd July, 1981 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 302, Level 3, Geetay House, Shiv Sagar Estate, F-Block, Dr. Anna Besant Road, Worli, Mumbai- 400 018.

FTWZ's are developed under the provisions of Special Economic Zone Act, 2005 and the Special Economic Zone Rules, 2006.

The Company's equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) of India.

The Financial statements of the Company for the year ended 31st March, 2019 were approved and adopted by the Board of Directors in their meeting held on 27th May, 2019.

2 Basis of preparation of financial statements

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

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

3 Significant Accounting Policies

3.1 Property, Plant and Equipment

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

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

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

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

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

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

3.2 Intangible Assets

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

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

Cost of Enterprise Resource Planning (ERP) software including expenditure on implementation is to be amortised over a period of ten years based on management's estimate of useful life over which economic benefits will be derived from its use.

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



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Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

Trademark are amortized over the period of ten (10) years.

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

Intangible assets under development includes cost of computer software under installation / under development as at the balance sheet date.

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

3.3 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

The Company as a lessee

(a) Finance lease

Assets acquired under finance lease are capitalized and the corresponding lease liability is recognised at lower of the fair value of the leased assets and the present value of minimum lease payments at the inception of the lease. Initial costs directly attributable to lease are recognised with the asset under lease.

(b) Operating lease

Lease of assets under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognised as expenses on accrual basis in accordance with the respective lease agreements.

The Company as a lessor

(a) Finance lease

When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

The lessor derecognises the leased assets and recognises the difference between the carrying amount of the leased assets and the finance lease receivable in the statement of Profit and Loss when recognising the finance lease receivable. This gain or loss is presented in the statement of Profit and Loss in the same line item as that in which the lessor presents gains or losses from sale of similar assets.

(b) Operating lease

Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets is diminished.

Initial indirect costs incurred in negotiating and arranging an operating lease are added to carrying value of the leased asset and recognised on a straight line basis over the lease term.

3.4 Inventories

Inventories are measured at lower of cost and net realisable value. Inventory comprises of cost of land and incidental cost thereon.

3.5 Cash and cash equivalents

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

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

3.6 Impairment of assets

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



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Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

3.7 Financial instruments – initial recognition, subsequent measurement and impairment

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

Financial assets - Initial recognition and measurement

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

Financial assets - Subsequent measurement:

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

- a) Financial assets at fair value
- b) Financial assets at amortised cost

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

A financial asset that meets the following two conditions is measured at amortised cost (not 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.

Financial assets - Equity investment in subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27 separate financial statements.

Transition to Ind AS

Upon first-time adoption of Ind AS, the Company has elected to continue with the carrying value of all of its investments in subsidiaries as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investments in subsidiaries.

In respect of interest free loans given to subsidiaries, the difference between the loan amount and its fair value is treated as further investment by the Company in the respective subsidiaries. Where financial guarantees in relation to loans of subsidiaries are provided for no compensation, the fair values are added to investment by the Company in respective subsidiaries.

The Company has accounted for its equity investment in subsidiaries at cost.

Financial assets - Derecognition

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

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

Financial liabilities - Initial recognition and measurement:

The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income 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.



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Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2018

Financial liabilities - Subsequent measurement

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

Financial Liabilities - Financial guarantee contracts

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

Financial Liabilities - Derecognition

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

Compound instruments

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

3.8 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

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

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

3.9 Dividend Distribution

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

3.10 Revenue recognition

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

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

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



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Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

Revenue are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Trade Receivables

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

Contract liabilities

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

- (i) Income from allotment of warehousing spaces and open yard area for use are recognised for the period the material is lying in area as per agreed terms.
- (ii) Revenue from valued services and other activities is recognised when related services are performed as per the contractual terms.
- (iii) Income from Business Conducting Fees shall be recognised as per contractual terms.
- (iv) Revenue from lease of land is recognised as per contract terms agreed between the parties.
- (v) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (vi) Export benefits under Foreign Trade Policy are recognised when utilized.
- (vii) 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.

3.11 Foreign currency reinstatement and translation:

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

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

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

3.12 Employee benefits

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

(a) Defined Contribution Plan

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

(b) Defined Benefit Plan

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



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Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

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

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

3.13 Taxes on income

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

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

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

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

3.14 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

3.15 Earnings per Share

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

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

3.16 Current and non-current classification

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

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

An asset is classified as current when it is:

- 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



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Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

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

3.17 Fair value measurement

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

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

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

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

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

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

3.18 Off-setting financial instrument

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

3.19 Segment Reporting - Identification of Segments

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

3.20 Contributed Equity

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

3.21 Cash flow statement

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

3.22 Business combinations

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:



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Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- (iii) Adjustments are only made to harmonise accounting policies.
- (iv) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (v) The balance of the Retained Earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.
- (vi) The identities of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- (vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to Capital Reserve and is presented separately from Other Capital Reserves.

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

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/demittigations 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.



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Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

4.6 Defined benefits plans

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

4.7 Recoverability of trade receivable

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

4.8 Provisions

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

4.9 Fair value measurement of financial instruments

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

4.10 Recent accounting pronouncements:

Standards Issued But Not Effective

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) has notified IND AS 116 – Leases and certain amendment to existing IND AS. These amendments shall be applicable to the Company from 1st April, 2019.

(a) Issue of IND AS 116 - Lease

Ind AS 116 will supersede the current standard on leases i.e. IND AS 17- Leases. As per IND AS 116, the lessor will have to bring to books all the non-cancellable portion of leasing arrangement.

(b) Amendment to existing standards

The MCA has also carried out amendments of the following accounting standards

- (i) IND AS 101- First time adoption of Indian Accounting Standards
- (ii) IND AS 103 - Business Combinations
- (iii) IND AS 109 - Financial Instruments
- (iv) IND AS 111 - Joint Arrangements
- (v) IND AS 12 - Income Taxes
- (vi) IND AS 19 - Employee Benefits
- (vii) IND AS 23 - Borrowing Costs
- (viii) Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company's financial statements.



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Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

5. Property, Plant and Equipment

| Particulars | Freehold Land | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Equipments | Computers | Leasehold Improvements | Total |
|---|---------------|-------------|---------------------|------------------------|----------|------------|-----------|------------------------|-------------|
| Gross Carrying Value (at deemed cost) | | | | | | | | | |
| As at 31st March, 2017 | 77,439.24 | 42,999.06 | 3,411.84 | 736.59 | 48.55 | 1,691.47 | 70.01 | 33.37 | 1,25,530.54 |
| Additions | 59.02 | - | - | - | - | 30.75 | - | - | 89.78 |
| Disposals | (9,337.95) | (17,202.94) | (1,231.14) | (532.44) | - | (704.65) | - | - | (29,009.13) |
| As at 31st March, 2018 | 68,160.30 | 24,896.12 | 2,180.70 | 204.15 | 48.55 | 1,017.57 | 70.01 | 33.37 | 96,611.19 |
| Additions | - | - | 21.00 | 8.46 | 13.95 | 9.01 | 17.12 | - | 69.55 |
| Disposals/Decimated | - | - | (1.36) | (116.17) | (15.28) | (38.17) | (43.00) | (33.37) | (247.34) |
| Transfer to Inventories | (19,059.31) | - | - | - | - | - | - | - | (19,059.31) |
| As at 31st March, 2019 | 49,070.99 | 24,896.12 | 2,200.35 | 96.44 | 47.64 | 988.42 | 44.13 | - | 77,344.09 |
| Accumulated Depreciation | | | | | | | | | |
| As at 31st March, 2017 | - | 1,045.60 | 321.52 | 140.37 | 16.40 | 452.08 | 23.27 | 16.23 | 2,018.07 |
| Depreciation for the year | - | 999.65 | 304.05 | 124.84 | 13.09 | 320.41 | 6.67 | 4.90 | 1,775.61 |
| Disposals | - | (539.43) | (207.43) | (180.24) | - | (394.02) | - | - | (1,321.12) |
| As at 31st March, 2018 | - | 1,505.82 | 418.14 | 85.57 | 29.49 | 378.47 | 31.94 | 23.13 | 2,472.56 |
| Depreciation for the year | - | 752.48 | 209.88 | 24.38 | 7.97 | 153.60 | 1.18 | - | 1,149.49 |
| Disposals/Decimated | - | - | (0.31) | (80.07) | (11.70) | (19.18) | (21.93) | (23.13) | (136.32) |
| As at 31st March, 2019 | - | 2,258.30 | 627.71 | 49.88 | 25.76 | 512.89 | 11.19 | - | 3,485.73 |
| Net Carrying value as at 31st March, 2019 | 49,070.99 | 22,637.82 | 1,572.64 | 46.56 | 21.88 | 475.53 | 32.94 | - | 73,859.36 |
| Net Carrying value as at 31st March, 2018 | 68,160.30 | 23,390.30 | 1,762.56 | 118.58 | 19.47 | 639.11 | 38.07 | 10.24 | 94,138.53 |

Notes:

1) Freehold Land includes Rs. 9,735.11 Lakh situated at Nagpur, which is under possession of a lender as per the Order of Hon'ble High Court of Bombay dated 9th May, 2013.

2) Freehold Land measuring 42.58 Acres amounting to Rs. 7,499.35 Lakh is used for Domestic warehousing purpose located at Khurja, Bulandshahr, Uttar Pradesh.

3) During the year, Freehold Land measuring 45.52 Acres amounting to Rs. 19,089.31 Lakh are converted into inventories.

4) Gross carrying value includes cost of vehicles taken on finance lease Rs. 13.95 Lakh.

5) In accordance with the Indian Accounting Standard (IND AS -38) on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2019.



Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

6. Intangible Assets

| (Rs. in Lakh) | | | |
|---|------------|----------|----------|
| Particulars | Trade Mark | Software | Total |
| Gross Carrying Value (at deemed cost) | | | |
| As at 31st March, 2017 | 0.49 | 588.14 | 588.63 |
| Additions/other adjustments | - | 1,120.00 | 1,120.00 |
| As at 31st March, 2018 | 0.49 | 1,708.14 | 1,708.63 |
| Additions | - | - | - |
| Disposals/Discarded | - | (116.94) | (116.94) |
| As at 31st March, 2019 | 0.49 | 1,591.20 | 1,591.69 |
| Accumulated Amortisation | | | |
| As at 31st March, 2017 | 0.20 | 156.41 | 156.61 |
| Amortisation for the year | 0.17 | 315.89 | 316.06 |
| Deductions | - | - | - |
| As at 31st March, 2018 | 0.37 | 472.30 | 472.67 |
| Amortisation for the year | - | 332.73 | 332.73 |
| Deductions | - | (59.57) | (59.57) |
| As at 31st March, 2019 | 0.37 | 745.46 | 745.83 |
| Net Carrying value as at 31st March, 2019 | 0.12 | 845.74 | 845.86 |
| Net Carrying value as at 31st March, 2018 | 0.12 | 1,235.84 | 1,235.96 |



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Arshiya Limited
Notes to the financial statements for the year ended 31st March, 2019

| Particulars | As at 31st Mar 2019 | | As at 31st Mar 2018 | |
|--|------------------------|--------------------|------------------------|--------------------|
| | No. of Shares | Rs. in Lakh | No. of Shares | Rs. in Lakh |
| Non-Current Financial Assets | | | | |
| T. Investments | | | | |
| (Unquoted investments carried at Cost) | | | | |
| (i) Investments in Equity Instruments of Subsidiaries | | | | |
| Arshiya Industrial & Distribution Hub Limited (the face value of Rs. 10 each) @ | 1,72,37,152 | 44,499.72 | 1,72,37,152 | 44,499.72 |
| Arshiya Northern FTWZ Limited (the face value of Rs. 10 each) @ | 1,08,60,677 | 44,625.29 | 1,08,60,677 | 44,625.29 |
| Arshiya Rail Infrastructure Limited (the face value of Rs. 10 each) @ | 4,23,84,417 | 38,369.21 | 4,23,84,417 | 38,369.21 |
| Arshiya Transport and Handling Limited (the face value of Rs. 10 each) | 50,000 | 5.00 | 50,000 | 5.00 |
| Arshiya Technologies (India) Private Limited (the face value of Rs. 10 each) | 1,01,158 | 2.00 | 1,01,158 | 2.00 |
| Arshiya Lifestyle Limited (the face value of Rs. 10 each) | 14,85,000 | 14.85 | 14,85,000 | 14.85 |
| Arshiya Logistics Services Limited (Formerly known as Loampat Bataj Exim Trading Ltd.) (the face value Rs. 10 each) | 16,00,000 | 155.50 | 16,00,000 | 155.50 |
| Loampat Bataj Supply Chain Management Private Limited (the face value of Rs. 10 each) | 50,000 | 3.00 | - | - |
| Anomalous Infra Private Limited (the face value of Rs. 10 each) | 1,10,000 | 11.00 | - | - |
| Arshiya Northern Projects Private Limited (the face value Rs. 10 each) | 50,000 | 5.00 | - | - |
| Arshiya Infrastructure Developers Private Limited (the face value Rs. 10 each) | 10,000 | 1.00 | - | - |
| Unvalued Infrastructure Private Limited (the face value Rs. 10 each) | 10,000 | 1.00 | - | - |
| Total (i) | | 1,27,694.57 | | 1,27,671.58 |
| (All the above equity shares are fully paid up) | | | | |
| (ii) Deemed Equity Investments | | | | |
| Investments at amortised cost | | | | |
| Arshiya Industrial & Distribution Hub Limited | | 1,116.48 | | 1,112.78 |
| Arshiya Northern FTWZ Limited | | 696.96 | | 696.96 |
| Arshiya Rail Infrastructure Limited | | 1,795.62 | | 1,735.62 |
| Arshiya Transport and Handling Limited | | 302.40 | | 302.40 |
| Arshiya Lifestyle Limited | | 1,881.96 | | 495.89 |
| Anomalous Infra Private Limited | | 1,091.60 | | - |
| Total (ii) | | 6,985.48 | | 4,345.45 |
| Total (i+ii) | | 1,34,680.02 | | 1,32,018.03 |
| @ As per debt covenants of the following Subsidiaries is required to pledge 100% of the shareholding in favor lenders however the Company has pledged following number equity shares only: i) 31st March, 2018 - 70,89,606 (31st March 2019 - 70,46,624) equity shares in Arshiya Northern FTWZ Limited. ii) 31st March, 2019 - 51,03,769 (31st March, 2018 - 1,35,65,606) equity shares in Arshiya Industrial & Distribution Hub Limited and iii) 31st March, 2019 - 1,34,78,500 (31st March, 2018 - 3,87,32,481) equity shares in Arshiya Rail Infrastructure Limited | | | | |



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Arshiya Limited
Notes to the financial statements for the year ended 31st March, 2019

(Rs. in Lakhs)

| Particulars | As at 31st Mar, 2019 | As at 31st Mar 2018 |
|---|-------------------------|------------------------|
| Non-Current Financial Assets | | |
| 8. Loans | | |
| Unsecured, considered good unless otherwise stated Loans to Subsidiaries (Refer Note No. 5b) | 1,732.14 | 1,731.47 |
| Total | 1,732.14 | 1,731.47 |
| 9. Trade Receivables | | |
| Unsecured Considered good - Unsecured (Receivables from Related party) (Refer Note No. 5b) | 6,061.50 | - |
| Total | 6,061.50 | - |
| 10. Other Non-Current Assets | | |
| Capital Advances | | |
| Considered good | 1,020.41 | 90.63 |
| Considered doubtful | 1,395.00 | 1,305.00 |
| | 2,415.41 | 1,395.63 |
| Less: Provision for impairment | (1,395.00) | (1,395.00) |
| | 1,020.41 | 90.63 |
| Security Deposits | 50.30 | 50.89 |
| TDS Receivable/Taxes paid | 2,240.54 | 2,122.27 |
| Total | 3,320.34 | 2,373.81 |
| Current Assets | | |
| 11. Inventories | | |
| Land | 19,505.97 | - |
| Total | 19,505.97 | - |
| Current Financial Assets | | |
| 12. Trade Receivables | | |
| Considered good - Unsecured (Receivables from Related party) (Refer Note No. 5b) | 814.04 | 794.60 |
| Trade Receivables which have significant increase in credit risk | 25.37 | 76.62 |
| | 840.01 | 791.20 |
| Less: Provision for expected credit losses | (25.37) | (76.62) |
| Total | 814.04 | 794.60 |
| 13. Cash and Cash Equivalents | | |
| Balances with banks: | | |
| - in current accounts | 8.77 | 130.78 |
| Cash on hand | 0.09 | 4.91 |
| Total | 5.66 | 135.69 |
| 14. Other Bank Balances | | |
| Deposits with bank to the extent held as margin money | 15.17 | - |
| Balance with bank in Unpaid dividend account | - | 0.04 |
| Total | 15.17 | 0.04 |
| 15. Loans | | |
| Unsecured, considered good unless otherwise stated Loans to Subsidiaries (Refer Note No. 5b) | 30,327.14 | 33,279.99 |
| Total | 30,327.14 | 33,279.99 |



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Arshiya Limited
Notes to the financial statements for the year ended 31st March, 2019

| Particulars | (Rs. in Lakh) | |
|--|---------------------|---------------------|
| | As at 31st Mar 2019 | As at 31st Mar 2018 |
| 16. Other Financial Assets | | |
| Unbilled Revenue | 2,500.00 | 330.41 |
| Margin money with Lender* | 170.00 | 170.00 |
| Other recoverables | 1,612.95 | 1,288.30 |
| Total | 4,082.95 | 1,588.71 |
| *To be adjusted at time of final settlement. | | |
| 17. Other Current Assets | | |
| Advances to Suppliers | 44.42 | 115.48 |
| Other Advances | 68.26 | 68.26 |
| Prepaid accounts | 60.36 | 54.73 |
| Balances with Statutory, Government Authorities (Refer Note No 51) | 1,855.86 | 1,556.17 |
| Cash seized by Income Tax (Refer Note No 48) | - | 100.00 |
| Total | 2,134.00 | 2,318.64 |

| Particulars | (Rs. in Lakh) | |
|---|----------------------|---------------------|
| | As at 31st Mar. 2019 | As at 31st Mar 2018 |
| 18. Equity Share Capital | | |
| Authorised | | |
| (i) 24,75,00,000 (31st March, 2019 - 24,75,00,000) Equity Shares of Rs. 2 each | 4,950.00 | 4,950.00 |
| (ii) 1,10,00,000 (31st March, 2018 - 1,10,00,000) 0% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs. 10 each | 1,100.00 | 1,100.00 |
| Total | 6,050.00 | 6,050.00 |
| Equity Share Capital - issued, subscribed and fully paid | | |
| 24,36,14,292 (31st March, 2019 - 22,82,16,776) Equity shares of Rs. 2 each | 4,872.29 | 4,564.34 |
| Total | 4,872.29 | 4,564.34 |

(a) Terms and rights

(i) Terms and rights attached to equity shares

The Company has one class of equity share having a par value of Rs. 2 per share. Each holder of equity share is entitled to one vote per share. The shareholders who held shares on the record date are entitled to dividend as may be proposed by the Board of Directors and is subject to approval of the Shareholders at the ensuing General Meeting.

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

(ii) Terms and rights attached to 0% Optionally Convertible Redeemable Preference Shares (OCRPS)

The Company has 0% optionally convertible redeemable preference shares having a par value of Rs. 10 per share. Each holder of OCRPS has right / entitled to convert into equity shares within 18 months from the date of issue or redemption on or after 20 years as per terms.

(b) Reconciliation of equity shares and optionally convertible preference shares

(i) Reconciliation of equity shares outstanding as at the beginning and end of the year

| Particulars | As at 31st March 2019 | | As at 31st March 2018 | |
|---|-----------------------|-------------|-----------------------|-------------|
| | Number of Shares | Rs. in Lakh | Number of Shares | Rs. in Lakh |
| Balance as at the beginning of the year | 22,82,16,776 | 4,564.34 | 15,63,79,472 | 3,127.59 |
| Add: Issued during the year | 1,53,97,516 | 307.95 | 7,20,37,304 | 1,440.79 |
| Balance as at the end of the year | 24,36,14,292 | 4,872.29 | 22,82,16,776 | 4,564.34 |

(ii) Reconciliation of optionally convertible redeemable preference shares outstanding as at the beginning and end of the year

| Particulars | As at 31st March 2019 | | As at 31st March 2018 | |
|--|-----------------------|-------------|-----------------------|-------------|
| | Number of Shares | Rs. in Lakh | Number of Shares | Rs. in Lakh |
| Balance as at the beginning of the year | 57,64,619 | 576.46 | - | - |
| Add: Issued during the year | - | - | 1,19,13,329 | 1,191.32 |
| Less: Converted into equity shares during the year | (57,64,619) | (576.46) | (51,48,710) | (514.67) |
| Balance as at the end of the year | - | - | 57,64,619 | 576.46 |



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Arshiya Limited
Notes to the Financial Statements for the year ended 31st March, 2019
(c) Details of equity shares held by the shareholders holding more than 5% of the aggregate shares in the Company

| Name of the shareholder | As at 31st March 2019 | | As at 31st March 2018 | |
|---|-------------------------|-----------------------------|-------------------------|-----------------------------|
| | Number of equity shares | Percentage (%) shareholding | Number of equity shares | Percentage (%) shareholding |
| Archiya A Mittal | 8,85,59,798 | 35.35% | 8,85,59,288 | 34.80% |
| Ajay S Mittal | 3,86,61,437 | 15.83% | 3,70,60,937 | 14.24% |
| Edelweiss Asset Reconstruction Company Limited (through various trusts) | 3,99,59,620 | 14.45% | 4,99,62,304 | 19.61% |

(d) In the Previous year ended 31st March, 2018 the Company had allotted to the Promoter Directors 1,00,00,000 equity shares and 1,00,00,000 share warrants of Rs. 2/- each at a premium of Rs.56.35/- per share on preferential basis pursuant to the Restructuring Agreement dated 31st March, 2017 and in terms of special resolution passed on 29th April, 2017 as per applicable provisions of Companies Act, 1956/Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulation. 85,00,000 share warrants out of 1,00,00,000 share warrants have been converted into Equity shares on 8th November, 2017.

During the year, the Company has allotted 15,00,000 Equity Shares of face value of Rs.2 each to the Promoter upon conversion of equal number of warrants.

| Particulars | (Rs. in Lakh) | |
|--|----------------------|---------------------|
| | As at 31st Mar, 2019 | As at 31st Mar 2018 |
| 19. Other Equity | | |
| (i) Share Application money pending allotment | | |
| Balances as at the beginning of the year | - | 18,366.71 |
| Less: On issue of Equity Shares | - | (18,366.71) |
| Balances as at the end of the year | - | - |
| (ii) Money Received against share warrants | | |
| Balances as at the beginning of the year | 960.25 | - |
| Add: received during the year | 15.00 | 960.25 |
| Less: On issue of Equity Shares | (975.25) | - |
| Balances as at the end of the year | - | 960.25 |
| (iii) Equity Component of 9% Optionally Convertible Preference shares (OCPS) | | |
| Balances as at the beginning of the year | 47,551.87 | 85,820.84 |
| Less: On issue of Equity Shares | (47,551.87) | (41,088.07) |
| Balances as at the end of the year | - | 47,551.87 |
| (iv) Amalgamation Reserve | | |
| Balances as at the beginning and end of the year | 124.80 | 124.80 |
| Reserves and Surplus | | |
| (v) Securities Premium Account | | |
| Balances as at the beginning of the year | 1,74,658.67 | 79,517.43 |
| Add: On issue of Equity Shares | 59,213.43 | 55,278.66 |
| Less: Share issue expenses/ transaction cost | - | (37.62) |
| Balances as at the end of the year | 2,33,872.10 | 1,74,858.67 |
| (vi) General Reserve | | |
| Balances as at the beginning and end of the year | 940.19 | 940.19 |
| (vii) Deficit in the Statement of Profit and Loss | | |
| Balances as at the beginning of the year | (63,985.47) | (66,332.90) |
| Add: Profit/Loss for the year | (3,516.48) | 3,895.99 |
| Add: Other comprehensive income/loss | 6.71 | (2.99) |
| Add: Fair value of Financial Instruments | - | 64.05 |
| Add: Conditional Lease rent | - | (390.41) |
| Balances as at the end of the year | (67,485.24) | (63,985.47) |
| Total (i) to (vii) | 1,66,940.28 | 1,66,380.38 |

Nature and purpose of Reserve and Surplus:
(a) Securities Premium Account:

Securities premium account is created to record premium received on issue of equity shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013.

(b) General Reserve:

General Reserve is used for time to time transfer of profits/Net Related Earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.



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Arshiya Limited
Notes to the financial statements for the year ended 31st March, 2019

(c) Amalgamation Reserve:

Amalgamation reserve is created on account of scheme of amalgamation of erstwhile BDP (India) Private Limited with the Company approved by the Hon'ble High Court of Judicature at Bombay in earlier years.

(d) Retained Earnings:

Retained Earnings are the profits(loss) of the Company earned @ date net of appropriations.

| Particulars | (Rs. in Lakh) | |
|---|-------------------------|------------------------|
| | As at 31st Mar, 2019 | As at 31st Mar 2018 |
| Non-Current Liabilities | | |
| 20. Borrowings | | |
| Secured | | |
| (a) Term Loans | | |
| From Banks | 3,671.43 | - |
| From Other Parties | 56,696.25 | 58,497.26 |
| (b) Vehicles Loan from bank | 9.52 | - |
| Liability Component of Compound Financial Instruments (CCFIS) | - | 10,342.61 |
| Total | 60,367.20 | 68,839.87 |

The details of security, terms of repayment and interest on non-current borrowings (which includes current maturities) obtained by the Company are given below:

20.1 Rupee Term loan from Banks

(1) Rupee loan of Rs. 3,193.29 Lakh (31st March, 2018 - Rs. 3,189.79 Lakh).

(a) Securities provided

(i) Second charge on movable and immovable Pateral assets of the Company except for the excluded properties under Lease Agreement dated 2nd February, 2018.

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Company.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(b) Terms of interest rate

(i) Rate of interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in Bullet payment at the end of the tenure of loan i.e. 36 months.

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 6.71 Lakh (31st March, 2018 - Rs. 10.21 Lakh).

20.2 Rupee loan of Rs. 474.22 Lakh:

(a) Securities provided

(i) Second charge on movable and immovable Pateral assets of the Company except for the excluded properties under Lease Agreement dated 2nd February, 2018.

(ii) Second charge on present and future receivables including the amount deposited to the EARC TRA account of the Company.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(b) Terms of interest rate

Rate of interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in 78 equal monthly instalment commencing from the date of first disbursement i.e. 31st August, 2018.

(d) The Company has been in default for the repayment of principal amount of Rs. 19.17 Lakh.

20.3 Rupee Term loans from Other Parties

(1) Rupee term loan of Rs. 50,513.28 Lakh (31st March, 2018 - Rs. 56,358.23 Lakh):

(a) Security provided:

(i) First charge on all the present and future movable and immovable property, plant and equipment including intangible assets, assignment of rights and benefits but excluding project assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.

(ii) Second charge on current assets of the Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.

(iii) First pari passu charge by way of hypothecation on the Pateral Receivables both existing and future of whatsoever nature.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(v) The loans are secured by pledged of shares held by the two Promoter Directors of the Company.

(b) Terms of interest rate

Rate of interest is @ 10% p.a. compounded quarterly.

(c) Terms of Repayment:-

| | | (Rs. in Lakh) |
|--------------|------|------------------|
| Year | Loan | Others |
| FY 2017-18 | | 5,671.05 |
| FY 2018-19 | | 14,001.46 |
| FY 2019-20 | | 50,404.50 |
| Total | | 70,077.01 |



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Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

- (d) The Company has been in default for the repayment of principal amount of Rs. 5,671.09 Lakh (31st March, 2018 - Rs. 5,671.09 Lakh).
- (e) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 543.80 Lakh (31st March, 2018 - Rs. 717.82)

(2) Rupee term loan of Rs. 2,495.44 Lakh (31st March, 2018 - Rs. 2,872.34 Lakh):

- (a) Securities provided
- (i) Second charge by way of equitable mortgage/hypothecation on the entire immovable and movable property, plant and equipment of the Company on pari-passu basis.
- (ii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(b) Terms of Repayment:-

Rupee term loan is repayable in 13 structured quarterly installments commencing from 31st January, 2018

- (c) The Company has been in default for the repayment of principal amount of Rs. 670.00 Lakh, (31st March, 2018 - Rs. 428 Lakh)
- (d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 199.56 Lakh (31st March, 2018 - Rs. 405.66)

(3) Rupee term loan of Rs. 2,318.95 Lakh:

(a) Securities provided

- (i) The above loan are secured by charge on residual cashflow of the Company.
- (ii) The above loans are secured by the immovable property held by one Promoter Director of the Company on pari-passu basis.
- (iii) The above loans are secured by personal guarantees of two Promoter Directors of the Company.
- (iv) The above loans are secured by pledged of shares held by the one Promoter Director of the Company.

(b) Terms of Interest rate

Rate of interest is @ 15% p.a. compounded half yearly.

(c) Terms of Repayment:-

Rupee term loan is repayable in bullet payment at the end of the tenure of loan i.e. 18 months.

- (d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 81.35 Lakh.

20.2 Vehicle loans from Banks

Vehicle loans are secured by way of hypothecation of vehicles. Rate of interest is @ 8.55% p.a. and repayment tenure in monthly installment till 31 October 2023 and January 2024 respectively.

| (Rs. in Lakh) | | |
|--|-------------------------|------------------------|
| Particulars | As at 31st Mar. 2019 | As at 31st Mar 2018 |
| 21. Other Financial Liabilities | | |
| Interest accrued but not due on borrowings | 221.90 | |
| Financial Liabilities at amortised cost | | |
| Financial guarantees obligations | 1,380.76 | 2,191.65 |
| Total | 1,602.66 | 2,191.65 |
| 22. Provisions | | |
| Provision for employee benefits (Refer Note No.41) | | |
| Gratuity | 80.60 | 101.32 |
| Leave encashment | 38.20 | 49.70 |
| Total | 118.80 | 151.02 |

| (Rs. in Lakh) | | |
|-----------------------------------|-------------------------|------------------------|
| Particulars | As at 31st Mar. 2019 | As at 31st Mar 2018 |
| Current Financial Liabilities | | |
| 23. Borrowings | | |
| Secured | | |
| (a) Loans from Other Parties | 8,004.05 | 8,474.05 |
| Unsecured | | |
| (a) Loans from Promoter Directors | 150.11 | 1,957.76 |
| (b) Inter Corporate Deposits | 77.20 | 77.00 |
| Total | 8,231.36 | 10,408.81 |



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Aashiya Limited
Notes to the financial statements for the year ended 31st March, 2019

(23.1) Loan from Other Parties

(i) Loan of Rs. 8,474.04 Lakh (31st March, 2018 - Rs. 8,474.04 Lakh)

(ii) Securities provided

- First Ranking charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of the Company as per the Deed of Hypothecation.
- The above loans are secured by personal guarantees of two Promoter Directors of the Company.

(iii) Terms of interest: @ 18% p.a.

(iv) The Company has been in default for the repayment of principal amount of Rs. 8,474.04 Lakh (31st March, 2018 - Rs. Nil).

(23.2) Loan of Rs. 550.00 Lakh

(i) Securities provided

- Exclusive charges on cash flows of Domestic warehousing building.
- The above loans are secured by mortgage over lands admeasuring 7,130 Sq. mt. of the Company and wholly owned subsidiary company.
- The above loans are secured by personal guarantees of one Promoter Director of the Company.
- The above loans are secured by corporate guarantees of the two subsidiary Companies.

(ii) Terms of interest: @ 11% p.a.

(23.2) Loans from promoter directors are interest free and repayable on demand.

(23.3) Unsecured Loan from Inter Corporate Deposits:

Inter Corporate Deposit of Rs. 77 Lakh (31st March, 2018 - 77 Lakh) is interest free and repayable on demand.

| Particulars | (Rs. in Lakhs) | |
|---|-------------------------|------------------------|
| | As at 31st Mar. 2019 | As at 31st Mar 2018 |
| 24. Trade Payables | | |
| Micro and Small Enterprises (Refer Note No. 40) | 37.88 | 0.69 |
| Others | 584.91 | 531.66 |
| Total | 622.79 | 532.35 |

| Particulars | (Rs. in Lakhs) | |
|--|-------------------------|------------------------|
| | As at 31st Mar. 2019 | As at 31st Mar 2018 |
| 25. Other Financial Liabilities | | |
| Financial Liabilities at amortised cost | | |
| Current maturities of long term debts from banks | 1,569.00 | 1,491.47 |
| Current maturities of long term debts from other parties | 14,341.09 | 12,675.40 |
| Current maturities of vehicle loan | 1.80 | - |
| Interest accrued and due on borrowings | 6,666.45 | 5,407.85 |
| Interest accrued but not due on borrowings | 4,674.69 | 5,892.36 |
| Interest payable on delayed payments to MSME creditors (Refer Note No. 40) | 2.56 | 0.22 |
| Unclaimed dividends | - | 0.04 |
| Deposit from Unitholders | 401.30 | 385.68 |
| Financial Guarantees Obligations | 675.09 | 609.11 |
| Payable for capital goods | 293.92 | 7,137.29 |
| Dues to employees | 303.03 | 267.81 |
| Payable for expenses | 680.25 | 641.50 |
| Total | 29,476.14 | 31,594.03 |

26.1 Term loans from Bank - Rs. 1,472.84 Lakh (31st March, 2018 - Rs. 1,491.67 Lakhs)

(i) Securities provided

- Second charge on movable and immovable property, plant and equipments of the Company, present and future on pari-passu

(ii) The above loan is secured by personal guarantees of two Promoter Directors of the Company.

(iii) Terms of interest rate:

Rate of interest is @ 12% p.a.

(iv) Terms of Repayment & Default:

The bank has been recalled loan of Rs. 1,472.84 Lakh (31st March, 2018 - Rs. 1,491.67 Lakh) and interest (including penal interest) of Rs. 175.95 Lakh (31st March, 2018 - Rs. 32.15 Lakh).



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Arshiya Limited
Notes to the financial statements for the year ended 31st March, 2019

25.2 Term loans from Other Parties:

(1) Loan of Rs. 5,000.00 Lakh (31st March, 2018 - Rs. 5,000.00 Lakh) (Refer Note No. 38)

Secured by first and exclusive charge on land situated at Village Rubbari at Nagpur, Maharashtra. The said loan carries interest @ 20% p.a.

(2) Loan of Rs. 2,000.00 Lakh (31st March, 2018 - Rs. 1,991.52 Lakh) (Refer Note No. 39)

Secured by first and exclusive charge on land situated at Khurja, Bulandshahr, Uttar Pradesh.

(3) The Company has been in default for the repayment of principal amount of Rs. 2,000.00 Lakh. (31st March, 2018 - Rs. 975.00 Lakh)

(4) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. Nil (31st March, 2018 - Rs. 23.48 Lakh).

25.2 Details of default in payment of interest on secured loans as on 31st March, 2019 are as follows:

| (Rs. in Lakh) | | | |
|---------------|---------------|-----------------|-----------------|
| Year | Banks | Others | Total |
| FY 2017-18 | 32.15 | 1,303.42 | 1,335.57 |
| FY 2018-19 | 239.77 | 5,291.11 | 5,530.88 |
| Total | 271.92 | 6,594.53 | 6,866.45 |

| (Rs. in Lakh) | | |
|---|-------------------------|------------------------|
| Particulars | As at 31st Mar, 2019 | As at 31st Mar 2018 |
| 26. Other Current Liabilities | | |
| Trade advances received | - | 94.37 |
| Other Payables | 1.36 | - |
| Statutory Liabilities | | |
| Statutory dues (Refer note below) | 774.85 | 356.34 |
| Interest on delayed payment of statutory dues | 857.63 | 611.37 |
| Total | 1,434.11 | 1,062.48 |

Notes:

1) Statutory dues included Tax deducted at source (TDS), Goods and Service tax (GST), Provident Fund (PF), Profession Tax (PT) and Employee State Insurance Corporation (ESIC).

2) Based on recent Supreme court judgement on structure of component for calculation of Provident Fund dated February 28, 2019 there are various interpretive issues including its applicability thus prospective provision w.e.f. March 01, 2019 been considered of Rs. 9.40 lakhs.

| (Rs. in Lakh) | | |
|---|-------------------------|------------------------|
| Particulars | As at 31st Mar, 2019 | As at 31st Mar 2018 |
| 27. Provision | | |
| Provision for employee benefits (Refer Note No. 41) | | |
| Leave encashment | 9.35 | 9.57 |
| Total | 9.35 | 9.57 |



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Anshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

(Rs. in Lakh)

| Particulars | Year Ended 31st Mar 2019 | Year Ended 31st Mar 2018 |
|---|-----------------------------|-----------------------------|
| 28. Revenue From Operations | | |
| Sale of services | | |
| Free Trade and Warehousing Zone operations | | |
| Storage income | - | 6,896.30 |
| Consideration on Lease of Land | 7,167.87 | 0.46 |
| Conditional Lease Rent | 2,800.00 | - |
| Business Conducting Fees (Refer Note No. 53) | 3,351.11 | 972.91 |
| Material Handling and other services | - | 646.29 |
| Income from Domestic Warehousing | 121.00 | 20.05 |
| Total | 13,139.98 | 8,542.02 |
| 29. Other Income | | |
| Bank fixed deposits | 0.13 | - |
| Interest income from others | 7.40 | 1.36 |
| Interest income on financial assets carried at amortised cost | | |
| Loan to Subsidiaries | 420.02 | 185.61 |
| Other Non Operating Income | | |
| Financial guarantee income | 598.96 | 639.31 |
| Foreign exchange differences (net) | - | 16.22 |
| Sundry balances written back (net) | 206.27 | 175.95 |
| Miscellaneous income | 6.16 | 2.82 |
| Gain on derecognition of Liability Component | 653.17 | - |
| Gain on disposal of Property, plant and equipment (net) | 0.33 | - |
| Total | 2,192.48 | 1,029.09 |
| 30. Cost of Inventories (Lease Land) | | |
| Cost of Inventories (Lease Land) | 2,583.34 | - |
| Total | 2,583.34 | - |
| 31. Material Handling and other Charges | | |
| Material Handling and other Charges | 87.63 | 320.61 |
| Total | 87.63 | 320.61 |
| 32. Employee Benefits Expense | | |
| Salaries, wages and bonus | 1,625.92 | 1,394.29 |
| Contribution to provident and other funds | 50.04 | 30.00 |
| Staff welfare expenses | 44.92 | 31.42 |
| Total | 1,720.88 | 1,455.71 |
| 33. Finance Cost | | |
| Interest expense on borrowings | 10,810.67 | 13,256.46 |
| Unwinding interest on security deposits | - | 226.36 |
| Interest expense on MSMEED vendors | 2.56 | 0.22 |
| Interest expense on statutory dues | 88.05 | 214.30 |
| Other borrowing costs | 333.21 | 61.51 |
| Total | 11,234.50 | 13,758.95 |
| 34. Depreciation and Amortisation Expense | | |
| Depreciation on Property, plant and equipment | 1,149.49 | 1,775.81 |
| Amortisation of intangible assets | 332.73 | 316.06 |
| Total | 1,482.22 | 2,091.87 |



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Arshiya Limited
Notes to the financial statements for the year ended 31st March, 2019

| (Rs. in Lakhs) | | |
|--|-----------------------------|-----------------------------|
| Particulars | Year Ended 31st Mar 2019 | Year Ended 31st Mar 2018 |
| 35. Other Expenses | | |
| Electricity charges | 111.89 | 230.71 |
| Rent | 29.06 | 13.58 |
| Repairs and maintenance: | | |
| - Building | 85.13 | 104.28 |
| - Plant and Machinery | 63.36 | 84.53 |
| - Others | 36.42 | 55.55 |
| Insurance | 11.30 | 9.06 |
| Rates and taxes | 12.65 | 4.94 |
| Communication expenses | 20.75 | 22.72 |
| Travelling and conveyance expenses | 53.17 | 55.39 |
| Vehicle expenses | 36.41 | 42.28 |
| Printing and stationery | 27.77 | 24.24 |
| Legal and professional fees | 130.90 | 149.45 |
| Security charges | 52.27 | 240.90 |
| Auditor's remuneration: | | |
| - Audit Fees | 54.30 | 54.00 |
| - Limited Review Fees | 15.00 | 15.25 |
| - Certification fees | 2.20 | 1.75 |
| Advertisement and Sales Business Promotion expenses | 28.66 | 78.23 |
| Allowance for doubtful debts | 8.69 | 7.33 |
| Bad debts | 3.16 | - |
| Foreign exchange differences (net) | 12.81 | - |
| Director sitting fees | 2.65 | 5.79 |
| Miscellaneous expenses | 79.82 | 89.53 |
| Discontinuing/written off of Property, plant and equipment and Intangible assets | 168.34 | - |
| Total | 1,038.20 | 1,332.46 |
| 36. Exceptional Items | | |
| Settlement of claims | 790.75 | (2,001.74) |
| Gain on monetization of property, plant and equipment (Refer Note No 50) | - | (15,633.29) |
| Loss on sale of subsidiary (Refer Note No 54.3) | - | 4,338.19 |
| Total | 790.75 | (13,296.84) |



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Arshiya Limited
Notes to the financial statements for the year ended 31st March, 2019
37 Contingent Liabilities and Commitments
37.1 Contingent Liabilities (to the extent not provided for in respect of):

| S. No. | Particulars | (Rs. in Lakh) | |
|--------|--|---------------------------|---------------------------|
| | | As at 31st March, 2019 | As at 31st March, 2018 |
| (i) | Disputed Income Tax demands | 18,515.52 | 11,087.78 |
| (ii) | Disputed Sales Tax demands | - | 20.51 |
| (iii) | Disputed Service Tax demands | 62.68 | - |
| (iv) | Disputed Local Body Tax demands | 160.33 | 160.33 |
| (v) | Claims against the Company not acknowledged as debts | 2,268.80 | 2,321.79 |
| (vi) | Import Continuity / Transshipment Bond | 10,000.00 | 10,000.00 |
| (vi) | Bond cum legal under taking | 5,198.00 | 5,198.00 |
| (vii) | Bank Guarantee for Maharashtra Pollution Control Board | 16.00 | - |
| (viii) | Corporate Guarantee given | 18,500.00 | - |

37.2 Capital commitments

Estimated amount of contracts remaining to be executed on capital and other accounts and not provided for (net of advances paid) are Rs. 5,782.08 Lakhs (31st March, 2018 - Rs. Nil)

38. A Public Financial Institution (PFI) agreed to settle their outstanding loan constituting principle and interest of Rs. 16,700 Lakh. Settlement terms and conditions involves payment of Rs. 5,000 Lakh which is secured by land at Nagpur and for balance amount of Rs. 11,700 Lakh, allotment of Optionally Convertible Redeemable Preference Shares - V (OCRPS - V), convertible upto 15,50,000 equity shares at the option of the PFI. Considering the same, necessary effect has been given in the books of accounts during the previous year. As per shareholder approval in the EOGM dated 29th January 2018, the company has approved allotment of 11,70,000 OCRPS - V and the same was converted into 15,50,000 Equity shares on 22nd February, 2018, as per settlement terms agreed. Subsequently in the Honorable High Court of Bombay, the Company has made the representation that post allotment of the equity shares as exercised by the PFI, the total outstanding debt remains at Rs. 5,000 lakhs.

During the year ended 31st March, 2018, the PFI has assigned its debt to the Edelweiss Asset Reconstruction Company (EARC). The Company has provided interest in line with major terms negotiated with EARC, till the finalisation of the restructuring agreement.

39. During the year, the Company has defaulted in payment as per consent terms signed with one of the Non-Banking Financial Company (NBFC). Subsequent to the year end 31st March, 2019, the said NBFC has assigned its debt to Edelweiss Asset Reconstruction Company (EARC). Pursuant to said assignment, EARC has become the lender and entitled to recover total dues along with interest at contractual rates and other charges. The company doesn't expect any additional liabilities / charges and liabilities accounted in the books of account are adequate.

40 Disclosures under Micro, Small And Medium Enterprises Development ("MSMED") Act, 2006

| Sr. No. | Description | (Rs. in Lakh) | |
|---------|--|--------------------------|--------------------------|
| | | As at 31st March 2019 | As at 31st March 2018 |
| a) | Principal amount due and remaining unpaid | 38.12 | 0.88 |
| b) | Interest due thereon remaining unpaid | 2.56 | 0.22 |
| c) | Interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, 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 | 2.56 | 0.22 |
| f) | Interest remaining due and payable even in the succeeding years, until such date when the interest due as above is 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.

41 Employee Benefits
41.1 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:

| Particulars | (Rs. in Lakh) | |
|---|--------------------------------|--------------------------------|
| | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
| Employer's Contribution to Provident Fund | 7.91 | 8.90 |
| Employer's Contribution to Pension Scheme | 17.97 | 15.59 |
| Employer's Contribution to ESIC | 0.47 | 1.02 |



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Arshiya Limited
Notes to the financial statements for the year ended 31st March, 2019
(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:
(Rs. in Lakhs)

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|--------------------------|--------------------------|
| Provision recognised in the Balance Sheet | | |
| Current Provision as at the end of the year | 8.55 | 9.57 |
| Non Current Provision as at the end of the year | 35.33 | 40.70 |
| Provision recognised in the Balance Sheet | 43.88 | 50.27 |

(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.

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|--|--|--|
| I. Actuarial assumptions | | |
| Mortality Table | Indian Assured lives Mortality (2006-06) UI | Indian Assured lives Mortality (2006-06) UI |
| Discount rate | 6.95% | 7.40% |
| Expected return on plan assets | 7.40% | 7.40% |
| Salary Escalation Rate | 9.00% | 7.00% |
| Withdrawal Rate | 17.00% | 15.00% |
| Retirement Age | 55 Years | 55 Years |
| II. Change in Present value of defined benefit obligations | | |
| Provision as at the beginning of the year | 116.24 | 99.97 |
| Interest cost | 8.59 | 6.46 |
| Current service cost | 16.17 | 25.74 |
| Benefits paid | (4.73) | (8.15) |
| Acquisition adjustments | (31.54) | - |
| Actuarial (gain)/loss on obligations | (9.11) | (7.37) |
| Provision as at the end of the year | 95.62 | 116.24 |
| III. Change in Fair value of plan assets | | |
| Fair value of plan assets as at the beginning of the year | 14.92 | 14.92 |
| Expected return on plan assets | 1.03 | 1.03 |
| Actual Enterprise's Contributions | - | 8.15 |
| Benefits paid | - | (8.15) |
| Actuarial (gain)/loss on plan assets | - | (1.03) |
| Fair value of plan assets as at the end of the year | 15.95 | 14.92 |
| IV. Actual return on plan assets | | |
| Expected return on plan assets | 1.10 | 1.03 |
| Actual gain/(loss) on plan assets | - | (1.03) |
| Actual return on plan assets | 1.10 | - |
| V. Provision recognised in the Balance Sheet | | |
| Provision as at the end of the year | 95.62 | 116.24 |
| Fair value of plan assets as at the end of the year | 15.95 | 14.92 |
| Provision recognised in the Balance Sheet | 80.60 | 101.32 |
| 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 | 16.17 | 25.74 |
| Interest cost | 8.59 | 6.46 |
| Expected return on plan assets | (1.10) | (1.03) |
| Net actuarial (gain)/loss to be on obligation | - | - |
| Expense recognised in Statement of Profit and Loss | 23.66 | 31.17 |



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| | | |
|---|---------|--------|
| VIII. Amount recognised in the Other Comprehensive Income (OCI) | | |
| Due to Change in financial assumptions | 11.73 | (2.81) |
| Due to Change in demographic assumption | (1.54) | - |
| Due to Change in experience assumption | (18.30) | (4.58) |
| Expected return on plan assets | - | 1.03 |
| Total remeasurement recognised in OCI | (8.11) | (6.34) |
| IX. Balance Sheet reconciliation | | |
| Opening net provision | 101.32 | 84.54 |
| Expenses recognised in Profit & Loss | 22.88 | 31.17 |
| Actual Employer Contribution | (4.73) | (8.15) |
| Acquisition adjustments | (31.54) | - |
| Total Remeasurement recognised in OCI | (8.11) | (6.34) |
| Closing net provision | 80.80 | 101.32 |

- (e) Salary escalation assumption has been set in discussions with the employer 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.

| 41.2 Sensitivity analysis: (Rs. in Lakhs) | | |
|---|------------------------|-------------------------------|
| Particulars | Changes in assumptions | Effect on Gratuity obligation |
| For the year ended 31st March, 2018 | | |
| Salary growth rate | +0.50% | 204.08 |
| | -0.50% | 184.55 |
| Discount rate | +0.50% | 184.58 |
| | -0.50% | 204.09 |
| For the year ended 31st March, 2019 | | |
| Salary growth rate | +0.10% | 99.08 |
| | -0.10% | 94.27 |
| Discount rate | +0.10% | 94.27 |
| | -0.10% | 99.08 |

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, an increase in the salary of the plan participants will increase the plan's provision.

41.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 5 years (31st March, 2018 - 6 years).

42 Preparation of financial statements on "Going Concern" basis

In view of the focused emphasis of the Government on logistics infrastructure sector, the proposed restructuring (Refer note no. 92) and considering the fact that the facilities are yet to achieve operational potential besides the strategic locations of the facilities, the management's future outlook of its business is very promising. Accordingly, the financials have been prepared on going concern basis even though the Company continues to incur losses.

43 Certain creditors have initiated legal proceedings against the Company and its Directors, and the Company has defaulted in payment of instalments of consent terms for which the Company is in process of negotiating and finalising the revised consent terms and/or making representations to the respective forum. Majority of the creditors have been settled over the past few years and some of the creditors have also shown interest and faith in the logistics infrastructure sector and are being allotted equity shares of the Company.

44 The Company is engaged in the business of development, operations and maintenance of Free Trade and Warehousing Zone (FTWZ) and Domestic Warehousing Zone. During the year, certain portion of land which was classified under Property, Plant and Equipment (PPE) is now transferred to inventories at their carrying amounts for future developments.



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Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

Out of the above land parcels, during the year, the Company has entered into 2 lease agreements aggregating to 5.50 Acres of land with a wholly owned subsidiary company for development of warehouses at FTWZ, Panvel and recognised the revenue from such long-term leases during the year.

- 45 Loans from various lenders have been assigned by banks to Edelweiss Asset Reconstruction Company Limited (EARC). EARC has restructured the loan and executed the Restructuring Agreement (RA) dated 31st March, 2017. In accordance with RA, EARC has converted part debt into restructured debt, balance assigned loan is to be converted into 3,21,62,304 equity shares and 84,23,329 zero percent optionally convertible redeemable preference shares (OCRPS - Series I) of face value of Rs.10 each at a price of Rs.1,000 each (including premium of Rs 990) of the Company, as per extant SEBI rules and regulations. The EARC has availed the right of conversion of OCRPS into equity.

During the year ended 31st March, 2018:-

- (i) In aggregate 1,38,97,516 equity shares of 2 each on conversion of OCRPS Series I have been allotted to EARC.
- (ii) Pursuant to RA, the Company has allotted 15,00,000 Equity Shares of face value of Rs.2 each to the Promoter upon conversion of equal number of warrants.
- 46 The Company has defaulted in agreed repayment schedule of Restructuring Agreement (RA). As per debt covenant, the Company is required to adhere to repayment schedule and any short payment gives Edelweiss Asset Reconstruction Company (EARC) the right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Company. No such notice of conversion in writing has been given by EARC and the Company continues to disclose the amount as non-current and current borrowings as per repayment schedule, in the Balance Sheet.

47 Corporate Guarantees

The Company has issued a corporate guarantee of Rs. 27,724.43 Lakh to the lenders of Arshiya Northern FTWZ limited (ANFTWZ), a subsidiary Company. This guarantee has been invoked by the lenders since ANFTWZ had defaulted in servicing its borrowings towards principal and interest. The Company carried out fair valuation of this corporate guarantee through an independent chartered accountant firm and as per their report the value of security created in favour of the lender is higher than the total liability towards borrowing. Accordingly, no provision is required towards the guarantee so invoked.

48 Cash Seized by Income Tax

The amount of Rs. 100 Lakh cash seized by the Income Tax department at the time of search on 13th June, 2014 has adjusted the said cash seized against demand of the Company and to be specific against Assessment Year 2014-2015. While there is a demand in Assessment Year 2014-2015, the same is contested and the said demand is reflected in Contingent Liability (Refer note no. 37).

- 49 Scheme of arrangement and amalgamation u/s 230 to 232 and other applicable provisions of the Companies Act, 2013 has been filed before the National Company Law Tribunal ("NCLT") between Arshiya Rail Infrastructure Limited, Arshiya Industrial & Distribution Hub Limited and Arshiya Transport & Handling Limited and their respective shareholders. The scheme is conditional on various approval / sanctions and is effective thereafter, accordingly no effect of the said Scheme is given in the financial statements. The meeting of the creditors was held on 6th May, 2019. The Scheme(s) shall be given effect after receipt of necessary approvals.

- 50 The Board of Directors of the Company in their meeting held on 24th May, 2018, has approved a scheme to further reorganize its corporate structure spread across various group companies, in order to integrate/consolidate its operations by reorganizing different businesses into two entities.

This Scheme is presented under Sections 230 to 232 read with Sections 66 and 52 and other applicable provisions of the Companies Act, 2013 for demerger of "Domestic warehousing business" of the company into Arshiya Rail Infrastructure Limited. This proposed scheme of arrangement is conditional upon approval of an ongoing scheme of group companies i.e. merger of Arshiya Rail Infrastructure Limited, Arshiya Industrial and Distribution Hub Limited and Arshiya Transport & Handling Limited, which is pending with NCLT. No accounting impact and disclosures are considered necessary at this stage pending requisite regulatory approvals.

51 Maharashtra VAT Refund Receivable

As per the Notification dated 16th May, 2013 issued by Government of Maharashtra, MVAT exemption/refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Company has claimed refund of Rs 1,684.55 Lakhs in respect of transactions prior to record date, as the Company is of the view that the State Government has exempted it from Local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra. The Company has filed an appeal before High Court of Bombay challenging the Constitutional validity of MVAT on various grounds and has claimed refund of Rs 1,108.80 Lakhs. The Appeal has been admitted, issues are framed and final hearing is pending. Further MVAT refund claim of 575.75 Lakhs is pending with Sales Tax Department as the matter is of similar case. Accordingly, these financial statements reflect a sum of Rs 1,684.55 Lakhs as refund receivable on account of MVAT. In case the refund is not granted, the necessary adjustment entries shall be recorded in the year in which finality is reached.

- 52 As per Ind-AS 103 "Operating Segment" information has been provided along with the consolidated financial statements of the Group.



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53. The Company has Business Conducting and Services Agreement with Arshiya Lifestyle Limited (ALL) (wholly owned subsidiary) in relation to operation of Six Warehouses taken on sub-lease from Ascendas Panvel FTWZ Limited (formerly known as Arshiya Rail Siding and Infrastructure Limited) (APFL) and operation of Container Yard and Open Yard owned by the Company. The aforesaid Business Conducting and Services Agreement is to be read in the overall context of Lease Deed dated 3rd February, 2018, Sub-Lease Deed dated 3rd February, 2018 and other agreements and documents entered into in connection with lease of Six Warehouses by the Company, being owner, to APFL and Sub-Lease of the said Six Warehouses by APFL to ALL and transfer of all rights and obligations under the Existing Unit Holder Agreements entered into by the Company to and in favour of ALL. The Company for the administration and operational expediency entrusted ALL to carry out operating and managing the open yard, the container yard and warehouses whereby ALL agreed to undertake and conduct the business of operating and managing the open yard and the container yard and warehouses and provide other services by utilising the infrastructure facilities provided by the Company. ALL shall also received all the incomes generated from the warehouses and storage yard, bearing the cost and expenses to operate and maintain the warehouses and storage yard. Pursuant to the aforesaid Business Conducting and Services Agreement, the ALL will pay 95% of excess revenue / Total Income over all the expenses / charges / provisions to the Company as Business Conducting Fees. Accordingly, the Company has recognised as Business Conducting fees Rs. 3,351.15 Lakh during the year ended 31st March, 2019 (31st March 2018 - Rs. 972.91 Lakh).

54. Investments

- 54.1 The Company's non-current investment in subsidiaries and its non-current / current loans dues from subsidiaries aggregating to Rs. 156,510.80 Lakh. The net worth of aforesaid subsidiaries has either been fully eroded or most of the entities have incurred losses and have accumulated losses. The operations of these subsidiaries are dependent on business plans and various steps taken by the management. The management of Arshiya Group also taken up steps to reorganise its corporate structure spread across various group companies in order to integrate/consolidate its operations by housing different businesses into two different entities/ separate vehicles, through scheme of arrangements. The Company has also obtained valuation report from registered valuer. Based on this and other factors stated, management has considered that no adjustment are required to be made to the carrying value of investment and loans as at 31st March 2019.
- 54.2 The Company has divested its entire investment in a subsidiary company namely Mira Supply Chain Management Private Limited (formerly known as Arshiya Supply Chain Management Private Limited). As a result, the Company has accounted net loss of Rs. 4,338.19 lakhs for the year ended 31st March, 2018 and this loss is grouped under exceptional item.
55. The Company, interalia, its subsidiaries and promoters has executed Lease Deed on 3rd February 2018, in favour of a SPV of Ascendas Property Fund (India) Pte. Limited ("Ascendas" - part of the Ascendas Singbridge Group, Singapore) for grant of leasehold rights of six warehouses at FTWZ Panvel, along with underlying land of those warehouses, identified assets and infrastructure facilities on an initial lease term of 30 (thirty) years. The said transaction is for a total consideration of Rs. 53,400 Lakh (or Rupees Five hundred and thirty four crore), with an upfront lease payment/thump sum rent of Rs. 40,400 Lakh (or Rupees Four hundred and thirty four crore). The balance of Rs. 10,000 Lakh (or Rupees One hundred crore) will be received over four years from transaction closing based on certain performance milestones. The transaction also envisages the terms for construction funding by Ascendas for future growth of the company's business. The Company already possesses the requisite land for the future development.

On transaction closing date of 3rd February 2018, the SPV has acquired long-term leasehold rights from the Company and the same are leased back under an operating lease arrangement pursuant to execution of sub-lease deed dated 2nd February 2018 to Arshiya Lifestyle Limited ("ALL"), a wholly owned subsidiary of the Company, for a sub-lease term of 6 (six) years, renewable as per mutually agreed terms, in consideration of pre-agreed rentals.

Accordingly during the year ended 31st March, 2018 the Company has reduced the value of assets, granted on leasehold rights to Ascendas Panvel FTWZ Limited (formerly known as Arshiya Rail Siding and Infrastructure Limited ("APFL"), from its fixed assets. The gain on grant of leasehold rights to APFL amounting to Rs. 15,633.29 lakh has been credited to profit and loss account of the Company and is disclosed as an exceptional item.

Based on the above, ALL would operate and manage these six warehouses and pay the lease rentals to APFL as defined in the sub-lease agreement. Hence from 3rd February, 2018 onwards, all revenue from these assets will be accounted by ALL. However the company will recognise the net revenue in terms of a business conducting agreement entered into between the Company and ALL.



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Arshiya Limited
Notes to the financial statements for the year ended 31st March, 2019

88 Related party disclosures, as required by Indian Accounting Standard 24 "Related Party Disclosures" (IND AS-24) as given below:

| S. No. | Name of the entity | Country of Incorporation | Proportion of interest (including beneficial interest/voting power (either directly/indirectly or through subsidiaries)) | |
|--------|---|--------------------------|--|------------------|
| | | | 31st March, 2019 | 31st March, 2018 |
| | Direct Subsidiaries: | | | |
| (i) | Arshiya Rail Infrastructure Limited | India | 100% | 100% |
| (ii) | Arshiya Northern FTWZ Limited | India | 100% | 100% |
| (iii) | Arshiya Industrial & Distribution Hub Limited | India | 100% | 100% |
| (iv) | Arshiya Transport and Handling Limited | India | 100% | 100% |
| (v) | Arshiya Technologies (India) Private Limited | India | 100% | 100% |
| (vi) | Arshiya Lifestyle Limited | India | 100% | 100% |
| (vii) | Arshiya Logistics Services Limited (Formerly known as Laxmish Bahar Exim Trading Limited) (w.e.f. 13th Jun. 2017) | India | 100% | 100% |
| (viii) | Anomalous Infra Private Limited (w.e.f. 15th October, 2018) | India | 100% | Nil |
| (ix) | Arshiya Northern Projects Private Limited (w.e.f. 20th October, 2018) | India | 100% | Nil |
| (x) | Arshiya Infrastructure Developers Private Limited (w.e.f. 9th January, 2018) | India | 100% | Nil |
| (xi) | Laxmipati Ratai Supply Chain Management Limited (w.e.f. 7th May, 2018) | India | 100% | Nil |
| (xii) | Unnival Infrastructure Private Limited (w.e.f. 7th January, 2018) | India | 100% | Nil |
| (xiii) | Mine Supply Chain Management Private Limited (Formerly known as Arshiya Supply Chain Management Private Limited) (up to 22nd March, 2018) | India | Nil | Nil |
| | Indirect Subsidiaries: | | | |
| | Held through Arshiya Logistics Services Limited: | | | |
| (xiv) | Arshiya 3PL Services Private Limited (w.e.f. 27th August 2018) | India | 100% | Nil |
| | Held through Arshiya Rail Infrastructure Limited: | | | |
| (xv) | Accordas Patnal FTWZ Limited (Formerly known as Arshiya Rail Siding and Infrastructure Limited) (up to 3rd February, 2018) | India | Nil | Nil |

(i) **Person having significant influence over the Company**
 Mr. Ajay S. Mittal – Chairman and Managing Director
 Mrs. Archana A Mittal – Joint Managing Director

(ii) **Key Management Personnel**
 Mr. Ashish Bainsara – Independent Director
 Mr. Mahesh Kacker – Independent Director
 Mr. Rohabh Ghosh – Independent Director
 Prof. G. Raghuram – Independent Director (w.e.f. 15th May, 2017)
 Mr. Tala Sarkar Bhattacharya – Independent Director (w.e.f. 24th May, 2018)
 Mrs. Savita Dahi – Company Secretary and Compliance Officer
 Mr. S. Maheshwari – Chief Financial Officer

(iii) **Relative of Person having significant influence over the Company**
 Mr. Ananya Mittal – Corporate Strategy Officer (Arshiya Group)

The nature and amount of transactions with the above related parties are as follows:

| Nature of transactions | Name of the Party | (Rs. in Lakh) | |
|---|--|------------------|------------------|
| | | 31st March, 2019 | 31st March, 2018 |
| Revenue from operations | Mine Supply Chain Management Private Limited | - | 1,216.97 |
| | Arshiya Logistics Services Limited | - | 2,694.77 |
| | Arshiya Lifestyle Limited | 3,351.11 | 972.91 |
| | Anomalous Infra Private Limited | 7,601.49 | - |
| Income billed to customer on behalf of the Subsidiary Company | Arshiya Lifestyle Limited | 1,777.01 | 257.05 |
| Advance Rent Income | Mine Supply Chain Management Private Limited | - | 112.71 |



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Arshiya Limited
Notes to the financial statements for the year ended 31st March, 2019

| | | | |
|---|---|----------|-----------|
| Advance Finance Lease Income | Arshiya Infra Private Limited | 2,335.62 | - |
| Unwind interest income on loan to subsidiaries | Arshiya Rail Infrastructure Limited | 63.75 | 55.88 |
| | Arshiya Northern FTWZ Limited | 25.05 | 17.91 |
| | Arshiya Industrial & Distribution Hub Limited | 11.90 | 10.36 |
| | Arshiya Transport and Handling Limited | 112.42 | 100.37 |
| | Arshiya Lifestyle Limited | 212.34 | - |
| Financial Guarantees Income | Arshiya Rail Infrastructure Limited | 246.46 | 240.56 |
| | Arshiya Northern FTWZ Limited | 126.80 | 126.80 |
| | Arshiya Industrial & Distribution Hub Limited | 133.53 | 178.99 |
| | Arshiya Lifestyle Limited | 166.14 | 0.48 |
| | M/s Supply Chain Management Private Limited | - | 69.93 |
| Unwind interest expense on Security Deposit | M/s Supply Chain Management Private Limited | - | 104.77 |
| Reimbursement/Allocation of common costs and expenses (Refer Note No. 60) | Arshiya Rail Infrastructure Limited | 419.55 | 418.25 |
| | Arshiya Northern FTWZ Limited | 45.95 | 506.71 |
| | Arshiya Industrial & Distribution Hub Limited | 101.05 | 416.25 |
| | Arshiya Lifestyle Limited | 615.65 | - |
| | Arshiya Logistics Services Limited | - | (28.71) |
| Lease-Rent Expenses | Arshiya Northern FTWZ Limited | 53.76 | 8.44 |
| Remuneration paid to Key Managerial Person | Mr. S. Maheshwari | 268.68 | 165.13 |
| | Ms. Seeta Dahi | 16.61 | - |
| Director sitting fees | Mr. Ashish Kumar Bhatnagar | 1.13 | 2.08 |
| | Mr. Mukesh Kacker | 0.40 | 1.92 |
| | Prof. G. Raghuram | - | 0.20 |
| | Mr. Rajesh Shah | 0.40 | 1.75 |
| | Mr. T S Bhattacharya | 0.79 | - |
| Loans and advances given | Arshiya Rail Infrastructure Limited | 798.31 | 4,831.75 |
| | Arshiya Northern FTWZ Limited | 2,533.34 | 7,188.67 |
| | Arshiya Industrial & Distribution Hub Limited | 719.57 | 14,470.76 |
| | Arshiya Technologies (India) Private Limited | 0.70 | 1.68 |
| | Arshiya Transport and Handling Limited | 6.52 | 4.12 |
| | Arshiya Lifestyle Limited | - | 19,796.03 |
| | Arshiya Logistics Services Limited | - | 3,440.03 |
| | Arshiya Infra Private Limited | 0.39 | - |
| | Unwind Infrastructure Private Limited | 0.01 | - |
| | Arshiya Infrastructure Developers Private Limited | 0.01 | - |
| | Arshiya Northern Projects Private Limited | 0.03 | - |
| | Laxmpati Bajaj Supply Chain Management Limited | 16.48 | - |
| | Arshiya JPL Services Private Limited | 0.01 | - |
| Loans and advances given repaid/acquired | Arshiya Rail Infrastructure Limited | 2,995.44 | 3,751.60 |
| | Arshiya Northern FTWZ Limited | 386.16 | 337.25 |
| | Arshiya Industrial & Distribution Hub Limited | 102.17 | 514.50 |
| | Arshiya Technologies (India) Private Limited | 1.00 | - |
| | Arshiya Transport and Handling Limited | 5.15 | - |
| | Arshiya Lifestyle Limited | 3,128.66 | 725.10 |
| | Arshiya Logistics Services Limited | - | 3,361.30 |
| | Laxmpati Bajaj Supply Chain Management Limited | 6.28 | - |
| | - | - | - |
| Loans and advances taken | Mr. Ajay S Mittal | 788.46 | 3,064.09 |
| | Mrs. Archana A Mittal | 1,119.14 | 4,260.42 |
| Loans and advances taken repaid/acquired | Mr. Ajay S Mittal | 1,153.33 | 2,694.60 |
| | Mrs. Archana A Mittal | 2,629.94 | 2,660.31 |



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Arshiya Limited
Notes to the financial statements for the year ended 31st March, 2019

| | | | |
|--------------------------------------|---|----------|-----------|
| Conversion of Loan into Equity | Arshiya Logistics Services Limited | - | 50.00 |
| Investment in Subsidiaries | Anamalous Infra Private Limited | 11.00 | - |
| | Laxmipet Retail Supply Chain Management Limited | 5.00 | - |
| | Arshiya Infrastructure Developers Private Limited | 1.00 | - |
| | Arshiya Northern Projects Private Limited | 5.00 | - |
| | Unimall Infrastructure Private Limited | 1.00 | - |
| Issue of Equity Shares and Warrants | Mr. Ajay S Mittal Equity Share | - | 5,825.00 |
| | Share Warrants | - | 5,820.00 |
| | Mr. S. Maheshwari Equity Share | - | 583.50 |
| Share Warrants converted into Equity | Mr. Ajay S Mittal | 320.25 | 4,359.75 |
| Investments purchased from | Mrs. Archana A Mittal | - | 0.49 |
| Investments sold to | Arshiya Industrial & Distribution Hub Limited | - | 300.83 |
| Security Deposit received | Mrs. Supply Chain Management Private Limited | - | 11,500.00 |
| Security Deposit repaid/adjusted | Mrs. Supply Chain Management Private Limited | - | 17,225.91 |
| Corporate guarantees given | Arshiya Lifestyle Limited | 241.87 | 31,318.02 |
| Corporate guarantees reduced | Arshiya Lifestyle Limited | 4,855.01 | - |
| Corporate guarantees received | Arshiya Rail Infrastructure Limited | 550.00 | - |
| | Arshiya Northern FTWZ Limited | - | - |

Closing Balances

| Nature | Related Party | (Rs. in Lakhs) | |
|---|---|---------------------------|---------------------------|
| | | As at 31st March, 2018 | As at 31st March, 2019 |
| Loans and advances given | Arshiya Rail Infrastructure Limited | 305.38 | 2,029.26 |
| | Arshiya Northern FTWZ Limited | 9,900.82 | 7,585.45 |
| | Arshiya Industrial & Distribution Hub Limited | 15,202.12 | 14,471.17 |
| | Arshiya Transport and Handling Limited | 1,054.68 | 941.69 |
| | Arshiya Technologies (India) Private Limited | 2.40 | 2.79 |
| | Arshiya Lifestyle Limited | 9,994.17 | 9,993.99 |
| | Anamalous Infra Private Limited | 0.39 | - |
| | Unimall Infrastructure Private Limited | 3.01 | - |
| | Arshiya Infrastructure Developers Private Limited | 3.01 | - |
| | Arshiya Northern Projects Private Limited | 5.28 | - |
| | Laxmipet Retail Supply Chain Management Limited | 10.21 | - |
| | Arshiya SPT Services Private Limited | 0.51 | - |
| Trade receivables | Arshiya Logistics Services Limited | - | 288.87 |
| | Arshiya Lifestyle Limited | 563.40 | 104.81 |
| | Anamalous Infra Private Limited | 5,362.99 | - |
| Trade Payables | Arshiya Northern FTWZ Limited | - | 8.27 |
| Loans taken | Mr. Ajay S Mittal | 104.89 | 469.73 |
| | Mrs. Archana A Mittal | 55.22 | 1,461.01 |
| Share warrants | Mr. Ajay S Mittal | - | 891.25 |
| Personal guarantees taken | Mr. Ajay S Mittal | 1,06,009.02 | 1,06,378.90 |
| | Mrs. Archana A Mittal | 1,00,379.05 | 1,00,378.00 |
| Equity Shares (excluding share premium) | Mr. S. Maheshwari | 20.00 | 20.00 |



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Notes to the financial statements for the year ended 31st March, 2019

83. Loans and Advances in the nature of Loans to Subsidiaries (Pursuant to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

Loans and Advances to Subsidiaries



Arshiya Limited
Notes to the financial statements for the year ended 31st March, 2019
58 Earnings per share:

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|-------------------------------|-------------------------------|
| Profit/(Loss) for the year (Rs. in Lakh) | (3,516.49) | 3,895.66 |
| Add: Interest adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS) | | 940.32 |
| Total Profit/(Loss) for the year for diluted EPS (Rs. in Lakh) | (3,516.49) | 4,841.98 |
| Number of equity shares | | |
| Weighted average number of equity shares (Number) | 23,80,15,279 | 18,31,20,903 |
| Add: Adjustment on account of Share Warrants | | 5,91,781 |
| Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS) | | 54,82,656 |
| Total Weighted average number of equity shares/shares warrants/OCRPS | 23,80,15,279 | 18,91,95,538 |
| Nominal value per share (Amount in Rs.) | 2.00 | 2.30 |
| Earnings per share – Basic and Diluted (Amount in Rs.) | (1.48) | 2.13 |

0% OCRPS and share warrants had an anti-diluting effect on earning per share hence have not been consider for the purpose of computing dilutive earning per share during the previous year.

59 Taxation

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

59.2 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.

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

| Assessment Year | Business Loss | Unabsorbed Depreciation | Available for utilization till |
|-----------------|------------------|-------------------------|--------------------------------|
| 2014-2015 | - | 1,201.54 | A.Y. 2022-2023 |
| 2015-2016 | - | 4,322.75 | A.Y. 2023-2024 |
| 2016-2017 | 584.75 | 4,011.34 | A.Y. 2024-2025 |
| 2017-2018 | 45,532.91 | 3,826.88 | A.Y. 2025-2026 |
| 2018-2019 | 13,483.44 | 559.56 | A.Y. 2026-2027 |
| Total | 90,008.10 | 13,921.77 | |

| Assessment Year | Long term Capital Loss | Available for utilization till |
|-----------------|------------------------|--------------------------------|
| 2016-2017 | 1,658.88 | A.Y. 2024-2025 |
| Total | 1,658.88 | |

Deferred tax assets as at 31st March, 2019 Rs. 1,283.30 Lakh (31st March, 2018 - Rs. 18,584.87 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 | As at 31st March, 2019 | As at 31st March, 2018 |
|--|---------------------------|---------------------------|
| Property, plant and equipment | 5,819.01 | 6,960.75 |
| Unabsorbed depreciation | (3,619.66) | (3,507.17) |
| Expenses allowable on payments under section 43B and 40 (a) (i)(a) | (3,471.31) | (606.83) |
| Unabsorbed losses | (16,033.42) | (17,805.09) |
| Financial Instruments | 15,622.08 | (3,173.87) |
| Total Deferred tax assets | (1,283.30) | (18,684.87) |

60 During the year, the Company has allocated certain common costs and expenses incurred by it, being the Holding Company, to its subsidiaries aggregating to Rs.563.45 Lakh (31st March, 2018 - Rs. 1,493.22 Lakh.) based on management's estimates of such costs and expenses attributable to them. Hence, Employee benefit expenses (Refer Note No. 32) and certain expenses stated under Other expenses (Refer Note No. 35) are presented as net of allocation of certain common costs and expenses.



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61 Financial Risk Management

The Company's principal financial liabilities comprise of borrowings, trade and other payables and financial guarantees contracts. The main purpose of these financial liabilities is to manage for the Company's and subsidiaries's operations. The Company's financial assets comprises of investment, loans, trade and other receivables, cash and deposits that arise 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 risk management assessment, management and processes are established to identify and analyze the risks faced by the Company to set up appropriate risk limits and controls, and to monitor such risks and compliances with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

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

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

(a) Credit Risk

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

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 continuous monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Credit risk is high as only few customers' account for majority of the revenue in the year presented. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

(b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company limits its liquidity risk by ensuring regular monitoring of funds from trade and other receivables. The Company relies on assets light business model through monetization of assets and tie-up of construction funding and operating cash flows to meet its needs for funds.

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

| Contractual maturities of financial liabilities | | (Rs. in Lakhs) | | |
|---|--|------------------|------------------|------------------|
| Particulars | | less than 1 year | 1 to 5 years | More than 5 year |
| 31st March, 2019 | | | | |
| Financial liabilities | | | | |
| Borrowings | | 25,173.05 | 61,118.02 | - |
| Trade payables | | 622.79 | - | - |
| Creditors for Capital Goods | | 265.92 | - | - |
| Financial guarantee obligations | | 575.05 | 1,356.78 | - |
| Other financial liabilities | | 12,926.28 | 221.66 | - |
| Total | | 29,563.09 | 62,731.34 | - |
| 31st March, 2018 | | | | |
| Financial liabilities | | | | |
| Borrowings | | 25,479.56 | 59,630.96 | - |
| BCRPS (Equity and Liability Component) | | - | - | 57,846.19 |
| Trade payables | | 562.53 | - | - |
| Creditors for Capital Goods | | 1,137.29 | - | - |
| Financial guarantee obligations | | 606.11 | 1,101.80 | - |
| Other financial liabilities | | 4,593.35 | - | - |
| Total | | 32,608.87 | 61,822.66 | 57,846.19 |



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(c) Market Risk

Market Risk is the risk that the fair value of future cash flow of a financial instrument 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 of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates arises primarily to the Company's operating activities.

1.1 Foreign currency risk exposure

(i) Details of foreign currency transactional balances not hedged by derivative instruments or otherwise are as under

| Particulars | Financial Year Ended | Foreign currency amount | Equivalent amount in INR |
|---------------------------------|----------------------|-------------------------|--------------------------|
| | | (Amount in Lakh) | (Rs. in Lakh) |
| Trade Receivables | | | |
| USD | 31st March, 2019 | 0.55 | 218.17 |
| | 31st March, 2018 | 0.32 | 341.98 |
| EUR | 31st March, 2019 | 0.02 | 1.48 |
| | 31st March, 2018 | 0.05 | 3.88 |
| Security Deposit from customers | | | |
| USD | 31st March, 2019 | 5.47 | 378.19 |
| | 31st March, 2018 | 5.47 | 351.42 |

1.2 Sensitivity

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

| Particulars | Increase/(decrease) in profit before tax (Rs. in Lakh) | |
|--|---|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| FX rate - increase by 1% on closing rate of reporting date | (1.59) | (0.09) |
| FX rate - (decrease) by 1% on closing rate of reporting date | 1.59 | 0.09 |

The above amounts have been disclosed based on the accounting policy for exchange differences.

2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the Company's borrowings is fixed rate borrowings carried at amortised cost, therefore not subject to interest rate risk as defined in IND AS - 107, while neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company's interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's borrowings at the variable rate were mainly denominated in Rupees.

2.1 Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows.

| Particulars | (Rs. in Lakh) | |
|-------------------------|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Variable rate borrowing | 1,472.84 | 1,491.07 |

2.2 Sensitivity of interest

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

| Particulars | Increase/(decrease) in profit before tax (Rs. in Lakh) | |
|--|---|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| 50 bps increase the profit before tax by | (7.38) | (7.46) |
| 50 bps decrease the profit before tax by | 7.38 | 7.46 |



Handwritten signatures and initials in blue ink, including 'J', 'S', 'Sam', and a circled 'Q'.

Arshiya Limited

Notes to the financial statements for the year ended 31st March, 2019

82 Fair Value Measurements

(a) Financial Instruments by Category

(Rs. in Lakh)

| Particulars | Carrying Amount | | Fair Value | |
|---------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 | As at 31st March, 2019 | As at 31st March, 2018 |
| Financial Assets | | | | |
| Amortised cost | | | | |
| Trade Receivables | 6,876.14 | 754.60 | 6,876.14 | 754.60 |
| Loans | 32,059.28 | 26,011.46 | 32,059.28 | 26,011.46 |
| Cash and Cash Equivalents | 5.86 | 135.69 | 5.86 | 135.69 |
| Other Bank Balances | 15.17 | 0.04 | 15.17 | 0.04 |
| Other Financial Assets | 4,082.95 | 1,948.71 | 4,082.95 | 1,948.71 |
| Total | 43,039.40 | 37,760.50 | 43,039.40 | 37,760.50 |
| Financial Liabilities | | | | |
| Amortised cost | | | | |
| Borrowings | 85,440.25 | 94,495.95 | 85,440.25 | 94,495.95 |
| Trade Payables | 622.79 | 582.55 | 622.79 | 582.55 |
| Creditors for Capital Goods | 265.92 | 1,137.29 | 265.92 | 1,137.29 |
| Security Deposits | 401.30 | 385.68 | 401.30 | 385.68 |
| Financial guarantee obligations | 1,965.81 | 2,797.71 | 1,965.81 | 2,797.71 |
| Other financial liabilities | 12,748.04 | 4,209.68 | 12,748.04 | 4,209.68 |
| Total | 1,01,443.01 | 1,03,608.86 | 1,01,443.01 | 1,03,608.86 |

(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:

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

(iii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and 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.

- Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices.
- Level 2** - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- 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 intangible assets included in level 3.



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Arshiya Limited**Notes to the financial statements for the year ended 31st March, 2019****83 Capital Management**

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares (if permitted). The Company monitors capital using a gearing ratio, which is total debts divided by total equity.

As stated in Notes to accounts, the Company is also having scheme of arrangements to reorganize the capital structure.

| Particulars | (Rs. in Lakh) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Total Debts | 97,203.55 | 97,708.06 |
| Total Equity | 1,71,515.57 | 1,64,914.34 |
| Total debt to equity ratio (Gearing ratio) | 0.57 | 0.59 |

Notes:-

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

Debt Covenants

Under the terms of Restructuring Agreement (RA), the Company is required to comply with following financial covenants:

Without prior approval of lender, the Company shall not:

- (a) **Loans, debenture & charge** - Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.
(b) **Dividend on equity shares** - declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA.

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

The Company has not proposed any dividend in last three year in view of losses incurred.

84 Revenue from contracts with customers (IND AS 115)

- (a) 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. 28.

Revenue disaggregation by geography is as follows:

| Geography | (Rs. in Lakh) | |
|---------------|--------------------------------|--------------------------------|
| | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
| India | 13,139.98 | 8,542.02 |
| Outside India | - | - |
| Total | 13,139.98 | 8,542.02 |

Revenue disaggregation by timing of revenue recognition is as follows:

| Geography | (Rs. in Lakh) | |
|--------------------------------|--------------------------------|--------------------------------|
| | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
| Services transferred over time | 5,972.11 | 8,541.59 |
| Consideration on Lease of Land | 7,167.87 | 0.43 |
| Total | 13,139.98 | 8,542.02 |



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Arshiya Limited
Notes to the financial statements for the year ended 31st March, 2019
Reconciliation of Revenue from Operation with contract price

| Particulars | (Rs. in Lakh) | |
|--|--------------------------------|--------------------------------|
| | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
| Contract Price | 15,919.99 | 8,792.57 |
| Reduction towards credit note issued to subsidiary | 1,777.01 | 207.53 |
| Revenue from Operations | 13,139.98 | 8,542.82 |

Transaction Price allocated to remaining performance obligations:

The aggregate amount of the transaction price allocated to the performance obligations that are to be satisfied as of 31st March, 2019 amounts to Rs. 7,109.59 Lakh as per Lease deed. The remaining performance obligation are affected by several factors including Partial storage revenue, cash flow cover, collections within 90 days or mutually agreed. The management of the Company expects that 36% of the unsatisfied performance obligation will be recognised as revenue during the next reporting period amounting to Rs. 2,600.00 Lakh with balance in future two reporting periods thereafter.

(b) Transitional Provision - IND AS 115 - Revenue from Contracts with Customer

The Ministry of Corporate Affairs (MCA) on 28th March, 2018 notified the AS 115 "Revenue from contracts with customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018 and the same is effective for accounting period beginning on or after 1st April, 2018. The Company has applied modified retrospective approach in adopting the new standard and accordingly, the revenue from operations for the year ended 31st March, 2019 is not comparable with the previous year. As a result of change in accounting policies, adjustments to the transition provision has been made in respective item as at 1st April, 2018 with corresponding impact to equity. Details of changes made in item along with equity have given in below table.

| Particulars | Rs. in Lakh |
|---------------------------------------|-------------|
| Other Financial assets | |
| Unfilled Revenue | 390.41 |
| Net Impact on other equity (Increase) | 390.41 |

- 65 The Company's borrowings have been assigned by bankers to an ARC under CDR package and restructured with NBFC. The ARC and NBFC have charged penal interest amounting to Rs. 1,393.42 lakh upto the year ended March 31, 2018, which was not accepted by the Company and hence is under negotiation. In light of audit qualifications in previous year as a matter of prudence, the Company has recognised the said interstational interest and has accordingly restated the finance cost and other consequential impacts in the year ended March 31, 2018.

Further, during the year ended March 31, 2018 reported figure of finance cost, other Equity and Interest accrued and due on borrowings was Rs. 12,456.52 lakh, Rs. 1,51,253.30 lakh and Rs. 104.43 lakh respectively. Restated figures of finance cost, other equity and Interest accrued and due on Borrowings are Rs. 13,781.94 lakh, Rs. 1,38,958.88 lakh and Rs. 1,407.85 lakh respectively. Earning Per Share (EPS) also recalculated based on the restated figures.

- 66 The Company has sent request letters/ emails to various Parties for confirmations of balances under borrowings, trade receivables and capital advances given to vendors and trade payables etc. to which only few parties have responded. Accordingly, impact of adjustment, if any, will be accounted as and when the same is determinable or accounts are reconciled/settled.

- 67 Previous year's figures have been regrouped / restated / rearranged wherever necessary.

Signatures to Notes forming part of Financial Statements

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/100305

Vijay Nupawaliya
Vijay Nupawaliya
Partner
Membership Number: 109859



Place: Mumbai
Date: 27th May, 2019

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

Ajay S. Mittal
Ajay S. Mittal
Chairman and Managing Director
DIN: 00220555

Ashish Kumar Beiragra
Ashish Kumar Beiragra
Independent Director
DIN: 00046691

Savita Datta
Savita Datta
Company Secretary

Archana A. Mittal
Archana A. Mittal
Joint Managing Director
DIN: 00709208

S. Maheshwari
S. Maheshwari
Chief Financial Officer

Dinesh Kumar Sodani
Dinesh Kumar Sodani
VP Accounts & Finance

Arshiya Limited
Consolidated Balance Sheet as at 31st March, 2019

| (Rs. in Lakh) | | | |
|--|-------|---------------------------|---------------------------|
| Particulars | Notes | As at 31st March, 2019 | As at 31st March, 2018 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 7 | 2,58,156.00 | 2,82,377.19 |
| (b) Capital Work-in-Progress | | 79.62 | - |
| (c) Goodwill | | 19.17 | 19.17 |
| (d) Intangible Assets | 8 | 4,124.56 | 5,036.75 |
| (e) Intangible Assets Under Development | | 82.21 | - |
| (f) Financial Assets | | | |
| (i) Other Financial Assets | 9 | 1,750.02 | 1,750.58 |
| (j) Other Non-Current Assets | 10 | 5,212.59 | 4,822.26 |
| | | 2,78,466.67 | 2,93,987.86 |
| Current assets | | | |
| (a) Inventories | 11 | 56,505.67 | 15.66 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 12 | 4,266.17 | 2,742.67 |
| (ii) Cash and Cash Equivalents | 13 | 960.66 | 1,286.84 |
| (iii) Bank Balances Other than (i) above | 14 | 451.28 | 498.54 |
| (iv) Loan | 15 | 325.12 | - |
| (v) Other Financial Assets | 16 | 8,876.64 | 12,804.30 |
| (c) Other Current Assets | 17 | 3,950.50 | 4,289.67 |
| | | 35,316.14 | 21,536.88 |
| Total Assets | | 3,06,786.71 | 3,15,624.83 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 18 | 4,872.29 | 4,566.34 |
| (b) Other Equity | 19 | 48,583.48 | 86,937.58 |
| | | 53,455.75 | 71,503.92 |
| Equity Component of 0% Optionally Convertible Redeemable Preference shares (OCRPS) issued by subsidiary held outside Group | | 519.69 | 519.69 |
| Liabilities | | | |
| Non Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 20 | 1,26,152.89 | 1,49,069.93 |
| (ii) Other Financial Liabilities | 21 | 612.11 | 2,100.70 |
| (b) Provisions | 22 | 273.73 | 203.62 |
| (c) Other Non-Current Liabilities | 23 | 2,255.67 | 1,802.69 |
| | | 1,29,374.39 | 1,44,417.40 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 24 | 12,524.48 | 13,753.15 |
| (ii) Trade Payables | 25 | | |
| Micro and small enterprises | | 84.90 | 18.11 |
| Others | | 2,484.36 | 1,779.68 |
| (iii) Other Financial Liabilities | 26 | 1,02,861.69 | 79,900.84 |
| (b) Other Current Liabilities | 27 | 4,430.03 | 3,682.01 |
| (c) Provisions | 28 | 25.85 | 22.43 |
| | | 1,22,421.43 | 89,166.22 |
| Total Equity and Liabilities | | 3,06,786.71 | 3,15,624.83 |

Notes to the financial statements:

1 to 71

As per our report of even date

For Charurvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720NWN100005

Vijay Napatwalia
Partner
Membership Number: 103559



Place: Mumbai
Date: 27th May, 2019

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Ashish Kumar Bakra
Independent Director
DIN: 00346593

Savita Datta
Company Secretary

Anshu A Mittal
Joint Managing Director
DIN: 03703208

S. Maheshwari
Chief Financial Officer
and Group President

D. Sodani
Dinesh Kumar Sodani
VP - Accounts & Finance



Arshiya Limited

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

(Rs. in Lakh)

| Particulars | Notes | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
|--|-------|--------------------------------|--------------------------------|
| INCOME | | | |
| Revenue from operations | 28 | 28,007.58 | 25,905.03 |
| Other income | 30 | 2,460.09 | 1,665.19 |
| Total Income (I) | | 31,397.67 | 27,570.22 |
| EXPENSES | | | |
| Material handling, value optimisation services and other charges | | 1,047.78 | 1,211.35 |
| Freight expenses | 31 | 10,664.30 | 11,668.31 |
| Terminal expenses | | 357.65 | 304.28 |
| Other operating expenses | | 756.02 | 574.80 |
| Warehouse storage charges | | 5,404.67 | 502.54 |
| Employee benefits expense | 32 | 3,806.85 | 3,634.54 |
| Finance costs | 33 | 27,558.39 | 31,588.39 |
| Depreciation and amortization expense | 34 | 9,419.56 | 10,171.75 |
| Other expenses | 35 | 3,629.29 | 4,047.50 |
| Total Expenses (II) | | 63,316.38 | 63,613.89 |
| Profit/(loss) before exceptional items and tax (I-II) | | (31,917.61) | (36,043.67) |
| Exceptional items (net) | 36 | (5,167.04) | (39,473.20) |
| Profit/(loss) before tax | | (26,750.67) | 3,131.63 |
| Tax expense: | 63 | | |
| Current tax | | 6.88 | - |
| Adjustment of tax relating to earlier periods | | 0.10 | 27.42 |
| Profit/(loss) for the year | | (26,757.85) | 3,104.11 |
| OTHER COMPREHENSIVE INCOME | | | |
| Items not to be reclassified to profit and loss in subsequent periods: | | | |
| Remeasurement of gains (losses) on defined benefit plans | | (26.57) | (9.67) |
| Other Comprehensive Income for the year | | (26.57) | (9.67) |
| Total Comprehensive Income for the year | | (26,786.42) | 3,094.44 |
| Profit for the year attributable to: | | | |
| Equity holders of the parent | | (26,757.85) | 3,104.11 |
| Non-controlling interests | | - | - |
| Other comprehensive income for the year attributable to: | | | |
| Equity holders of the parent | | (26.57) | (9.67) |
| Non-controlling interests | | - | - |
| Total comprehensive income for the year attributable to: | | | |
| Equity holders of the parent | | (26,786.42) | 3,094.44 |
| Non-controlling interests | | - | - |
| Earning per share (face value of Rs. 2 each) | 62 | | |
| Basis and Diluted | | (11.24) | 1.70 |

Notes to the financial statements

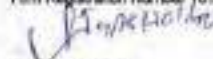
1 to 71

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720N/W/100355


Vijay Kapawadia

Partner

Membership Number: 101660



Place: Mumbai

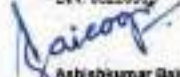
Date: 27th May, 2019

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

Ajay S Mittal

Chairman and Managing Director

DIN: 00226355

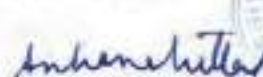

Ashish Kumar Gairaga

Independent Director

DIN: 00049591


Savita Dalal

Company Secretary


Archana A Mittal

Joint Managing Director

DIN: 00703208


S. Maheshwari

Chief Financial Officer

and Group President


Dinesh Kumar Sodani

VP - Accounts & Finance

Arshiya Limited

Consolidated Statement of changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital (Refer Note No. 18)

| Particulars | Rs. in Lakh |
|--|-------------|
| Equity Shares of Rs. 2 each issued, subscribed and paid up | 3,123.50 |
| As at 31st March, 2017 | 3,123.50 |
| Issue of Equity Shares | 1,460.76 |
| As at 31st March, 2018 | 4,584.26 |
| Issue of Equity Shares | 307.95 |
| As at 31st March, 2019 | 4,892.21 |

B. Other Equity (Refer Note No. 19)

| Particulars | Share Application money pending allotment | Money received against share warrants | Equity Component of 8% Optionally Convertible Preference shares (OCPS) | Capital Reserve | Arbitrage Reserve | Securities Premium Account | General Reserve | Reserve for Contingencies | Total |
|---|---|---------------------------------------|--|-----------------|-------------------|----------------------------|-----------------|---------------------------|-------------|
| Balances as at 31st March, 2017 | 18,766.71 | - | 88,620.84 | 1.53 | 134.80 | 71,917.43 | 940.13 | (1,53,750.24) | 28,321.30 |
| Profit/(loss) for the year | - | - | - | - | - | - | - | 3,104.11 | 3,104.11 |
| Other comprehensive income | - | - | - | - | - | - | - | (9.67) | (9.67) |
| Total comprehensive income for the year | - | - | - | - | - | - | - | 3,094.44 | 3,094.44 |
| On issue of equity shares | (18,766.71) | - | (81,008.67) | - | - | 95,276.86 | - | - | 35,443.18 |
| Money received against share warrants | - | 880.26 | - | - | - | - | - | - | 880.26 |
| Transaction costs on issue of equity shares | - | - | - | - | - | (37.82) | - | - | (37.82) |
| Others (net) | - | - | - | - | - | - | - | (1,134.36) | (1,134.36) |
| Conditional Lease held | - | - | - | - | - | - | - | 390.41 | 390.41 |
| Balances as at 31st March, 2018 | - | 880.26 | 47,551.87 | 1.53 | 134.80 | 1,74,856.87 | 940.13 | (1,57,399.77) | 65,937.58 |
| Profit/(loss) for the year | - | - | - | - | - | - | - | (26,787.85) | (26,787.85) |
| Other comprehensive income | - | - | - | - | - | - | - | (28.57) | (28.57) |
| Total comprehensive income for the year | - | - | - | - | - | - | - | (26,816.42) | (26,816.42) |
| Money received against share warrants | - | 15.00 | - | - | - | - | - | - | 15.00 |
| On issue of equity shares | - | (975.25) | (47,551.87) | - | - | 58,215.49 | - | - | 9,798.37 |
| Others (net) | - | - | - | - | - | - | - | (1,358.07) | (1,358.07) |
| Balances as at 31st March, 2019 | - | - | - | 1.53 | 134.80 | 2,33,072.16 | 940.13 | (1,85,545.26) | 48,592.46 |

1 to 71

Notes to the financial statements

As per our report of even date

For Chartered & Shah LLP

Chartered Accountants

Firm Registration Number: 101720/MW/100055

Vijay Nageswara

Partner

Membership Number: 525004

Place: Mumbai

Date: 27th May, 2019

For and on behalf of the Board of Directors of

Arshiya Limited

Ajay S Mittal

Chairman and Managing Director

IDR: 03225555

Dinesh Kumar Sodani

VP - Accounts & Finance

Archiya A Mittal

Joint Managing Director

IDR: 00703008

Audish Kumar Bhatnaga

Independent Director

IDR: 00040251

S. Maheshwari

Chief Financial Officer

and Group President

Smita Datta

Company Secretary

Arshiya Limited
Consolidated Cash Flow Statement for the year ended 31st March, 2019

(Rs. In Lakh)

| Particulars | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
|---|--------------------------------|--------------------------------|
| Cash flow from operating activities | | |
| Profit/(Loss) before tax | (26,760.87) | 3,131.53 |
| Adjustments for: | | |
| Bad debts | 45.81 | 101.54 |
| Sundry balances written back (net) | (931.35) | (452.89) |
| Discarding/written off of Property, plant and equipment and Intangible assets | 166.34 | - |
| (Gain)/loss on disposal of Property, plant and equipment | (0.09) | 515.84 |
| (Gain) on monetization of Property, plant and equipment (Refer Note No. 59) | - | (15,633.29) |
| Provision for doubtful debts/Expected credit loss | 112.85 | (52.12) |
| Excess provision written back | - | (463.14) |
| Reconciliation of loan accounts (net) | - | (562.39) |
| Settlement of claims | (5,107.04) | (19,478.47) |
| Depreciation and amortization expense | 9,419.56 | 10,171.75 |
| Interest expense | 27,559.39 | 31,559.39 |
| Government grant income | (365.49) | (365.49) |
| Financial guarantee income | (227.88) | (2.57) |
| Financial assets carried at amortised cost | (193.05) | - |
| Gain on derecognition of Liability Component | (653.17) | - |
| Interest income | (39.72) | (54.23) |
| Dividend income | - | (9.80) |
| Foreign exchange differences (net) | 43.21 | (105.30) |
| Operating profit before working capital changes | 3,018.35 | 8,348.37 |
| Adjustments for: | | |
| Change in inventories | 15.66 | 0.07 |
| Decrease/(increase) in financial and other assets | 1,058.89 | (16,518.55) |
| Decrease in financial and other liabilities | (2,152.32) | (5,280.32) |
| Cash generated from operations | 1,940.58 | (13,460.53) |
| Direct taxes paid | (545.51) | (516.00) |
| Net cash flow from operating activities | (A) 1,395.07 | (13,966.53) |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment | (779.90) | (4,589.07) |
| Purchase of intangible assets | - | (2,239.00) |
| Purchase of Capital work in progress and Intangible assets under development | (71.18) | - |
| Proceeds from sale of property, plant and equipment | 2.51 | 95.23 |
| Proceeds from monetization of property, plant and equipments | - | 43,400.00 |
| Capital advances | (1,089.41) | (49.23) |
| Dividend income | - | 0.60 |
| Interest received | 39.72 | 54.23 |
| Net cash flow from investing activities | (B) (1,898.26) | 36,672.76 |
| Cash flow from financing activities | | |
| Issue of Equity shares (including security premium) | - | 15,268.30 |
| Money received against share warrants | 15.09 | 850.25 |
| Proceeds from non-current borrowings | 5,571.82 | 3,200.00 |
| Repayment of non-current borrowings | (2,550.04) | (36,054.72) |
| Short-term borrowings (net) | (1,228.69) | 6,755.45 |
| Unpaid Dividend transfer to IEPF A/c | (0.04) | - |
| Interest paid | (1,607.30) | (10,993.44) |
| Net cash flow from financing activities | (C) 119.75 | (21,774.07) |
| Net (decrease)/increase in cash and cash equivalents (A + B + C) | (392.44) | 932.18 |
| Cash and cash equivalents as at the beginning of the year | 1,784.38 | 852.22 |
| Cash and cash equivalents as at the end of the year (Refer Note No. 13 and 14) | 1,391.94 | 1,784.38 |



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Arshiya Limited
Consolidated Cash Flow Statement for the year ended 31st March, 2019

Change in liabilities arises from financing activities

(Rs. in Lakhs)

| Particulars | Long term Borrowings | Short term Borrowings |
|---|----------------------|-----------------------|
| As at 1st April, 2018 | 1,78,462.88 | 13,753.15 |
| Less: Transaction cost | 714.57 | - |
| Less: Conversion of Liability Component of Compound Financial Instruments (OCRPS) into Equity | (10,342.61) | - |
| Add: Non cash items | (73.69) | - |
| Add/Less: Cash flow | 3,021.78 | (1,225.69) |
| As at 31st March, 2019 | 1,69,782.83 | 12,524.46 |

Notes:

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

Notes to the financial statements

1 to 71

As per our report of even date

For Charurvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720WW/100355

Vijay Napawalia
Partner
Membership Number: 109859



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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Aashishkumar Bhatnagar
Independent Director
DIN: 00249591

Sandeep Dalal
Company Secretary

Archana A Mittal
Joint Managing Director
DIN: 00703208

S. Maheshwari
Chief Financial Officer
and Group President

Dinesh Kumar Sodani
VP - Accounts & Finance

Place: Mumbai
Date: 27th May, 2019

Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

1 Corporate Information

Arshiya Limited (hereinafter referred to "the Parent Company" or "the Company") together with its subsidiaries (collectively referred to as "Group") is a flagship Company of Arshiya Group. It is pioneering Unified Supply Chain and integrated logistics infrastructure solution provider Group headquartered in India. The group businesses comprises of Free Trade and Warehousing Zone (FTWZ), Rail & Rail Infrastructure, Industrial and Distribution hubs, Indian Container Depot (ICD), Domestic Warehousing, Forwarding, Transport & Handling, Supply Chain technology and Management solutions.

These statements comprises of Consolidated Financial Statements ("CFS") of Arshiya limited (CIN: L93000MH1981PLC024747) and its subsidiaries for the year ended 31st March, 2019. The Company is a public company domiciled in India and is incorporated on 3rd July, 1981 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

The Parent Company's equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) of India.

The Consolidated Financial Statements for the year ended 31st March, 2019 were approved and adopted by board of directors in their meeting held on 27th May, 2019.

2 Basis of preparation of consolidated financial statement

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

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

The consolidated financial statements are presented in Indian Rupees (Rs.) which is the Group's functional and presentation currency and all values are rounded to the nearest lakh as per the requirement of schedule III, unless when otherwise indicated.

3 Basis for Consolidation

The consolidated financial statements comprise of the financial statements of the Parent Company and its subsidiaries as at 31st March, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements from the date the Group obtains control and assets, liabilities, income and expenses of a subsidiary disposed off during the year are included in the consolidated financial statements till the date the Group ceases to control the subsidiary.

The CFS includes the Financial Statements of the Parent Company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal.



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Arshiya Limited
Notes to the Consolidated financial statements for the year ended 31st March, 2019

| S. No. | Name of the entity | Country of incorporation | Proportion of Interest (including beneficial interest) voting power (either directly/indirectly or through subsidiaries) | |
|--------|---|--------------------------|--|------------------|
| | | | 31st March, 2019 | 31st March, 2018 |
| | Direct Subsidiaries: | | | |
| (i) | Arshiya Rail Infrastructure Limited (ARIL) | India | 100% | 100% |
| (ii) | Arshiya Northern FTWZ Limited (ANFL) | India | 100% | 100% |
| (iii) | Arshiya Industrial & Distribution Hub Limited (ADHL) | India | 100% | 100% |
| (iv) | Arshiya Lifestyle Limited (ALL) | India | 100% | 100% |
| (v) | Arshiya Logistics Services Limited (formerly known as Laximpal Balaji Exim Trading Limited) (ALSL) (w.e.f. 13th June, 2017) | India | 100% | 100% |
| (vi) | Arshiya Transport and Handling Limited (ATHL) | India | 100% | 100% |
| (vii) | Arshiya Technologies (India) Private Limited (ATPL) | India | 100% | 100% |
| (viii) | Laximpal Balaji Supply Chain Management Private Limited (LBSCM) (w.e.f.17th May, 2018) | India | 100% | Nil |
| (ix) | Anomalous Infra Private Limited (AIPL) (w.e.f. 15th October, 2018) | India | 100% | Nil |
| (x) | Arshiya Infrastructure Developers Private Limited (AIDPL) (w.e.f. 9th January, 2019) | India | 100% | Nil |
| (xi) | Unirail Infrastructure Private Limited (UIPL) (w.e.f. 7th January, 2019) | India | 100% | Nil |
| (xii) | Arshiya Northern Projects Private Limited (ANPPL) (w.e.f. 25th October, 2018) | India | 100% | Nil |
| (xiii) | Mix Supply Chain Management Private Limited (formerly known as Arshiya Supply Chain Management Private Limited) (ASCM) (up to 21st March, 2018) | India | Nil | Nil |
| | Indirect Subsidiaries: | | | |
| | Held through Arshiya Logistics Services Limited: | | | |
| (xiv) | Arshiya SPL Services Private Limited (w.e.f. 27th August, 2018) | India | 100% | Nil |
| | Held through Arshiya Rail Infrastructure Limited: | | | |
| (xv) | Accendas Parcel FTWZ Limited (formerly known as Arshiya Rail Siding and Infrastructure Limited) (AIFL) (up to 3rd February, 2018) | India | Nil | Nil |

4 Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The difference between the cost of investment in the subsidiaries and the Parent's share of net assets at the time of acquisition of control in the subsidiaries is recognised in the consolidated financial statement as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.
- Intra-Group balances and transactions, and any unrealized income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.
- Consolidated statement of Profit and Loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
- For the acquisitions of additional interests in subsidiaries, where there is no change in the control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests, the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit and loss. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.
- Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.
- Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, if any, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

- (h) In the case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average exchange rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Components of equity are translated at closing rate. Any gain / (Loss) on exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR) through OCI.

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

5 Significant Accounting Policies

5.1 Property, Plant and Equipment

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

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

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

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

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

The Group has opted to continue with the carrying values of all of its property, Plant and Equipment as recognised in the Previous GAAP financial statements as deemed cost at the transition date i.e. 1st April, 2016.

5.2 Intangible Assets

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

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

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

Cost of Enterprise Resource Planning (ERP) software including expenditure on implementation is to be amortized over a period of ten years based on management's estimate of useful life over which economic benefits will be derived from its use.

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

Trademark are amortised over the period of ten (10) years.

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

Intangible assets under development includes cost of computer software under installation / under development as at the balance sheet date.

The Group has opted to continue with the carrying values of all of its Intangible assets as recognised in the Previous GAAP financial statements as deemed cost at the transaction date i.e. 1st April, 2016.

5.3 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

The Group as a lessee

(a) Finance lease

Assets acquired under finance lease are capitalized and the corresponding lease liability is recognised at lower of the fair value of the leased assets and the present value of minimum lease payments at the inception of the lease. Initial costs directly attributable to lease are recognised with the asset under lease.

(b) Operating lease

Lease of assets under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating lease are recognised as expenses on accrual basis in accordance with the respective lease agreements.

The Group as a lessor

(a) Finance lease

When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

The lessor derecognises the leased assets and recognises the difference between the carrying amount of the leased assets and the finance lease receivable in the consolidated statement of Profit and Loss when recognising the finance lease receivable. This gain or loss is presented in the consolidated statement of Profit and Loss in the same line item as that in which the lessor presents gains or losses from sale of similar assets.

(b) Operating lease

Rental income from operating leases is recognised in the consolidated statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets is diminished.

Initial indirect costs incurred in negotiating and arranging an operating lease are added to carrying value of the leased asset and recognised on a straight line basis over the lease term.

5.4 Inventories

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

5.5 Cash and cash equivalents

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

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

5.6 Impairment of assets

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

5.7 Financial instruments – initial recognition, subsequent measurement and impairment

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

(i) Financial assets – initial recognition and measurement

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

(ii) Financial assets – Subsequent measurement:

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

(a) Financial assets at fair value

(b) Financial assets at amortized cost

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



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

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

- (a) **Business model test:** The objective of the Group's business model is to hold the financial asset to collect the contractual cash flow.
- (b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

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

- (a) **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
- (b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - Derecognition

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

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

- (iii) **Financial liabilities - Initial recognition and measurement:**

The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Effective interest method

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

Financial liabilities - Subsequent measurement

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

Financial Liabilities - Financial guarantee contracts

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

Financial Liabilities - Derecognition

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

Compound instruments

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

- 5.8 **Provisions, Contingent Liabilities, Contingent Assets and Commitments:**

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



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

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

5.9 Dividend Distribution

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

5.10 Revenue recognition

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

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

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

Revenue are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Trade Receivables

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

Contract liabilities

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

(a) Free Trade Warehousing Zone (FTWZ)

- (i) Income from allotment of warehousing spaces and open yard area for use are recognised for the period the material is lying in area as per agreed terms.
- (ii) Revenue from valued services and other activities is recognised when related services are performed as per the contractual terms.
- (iii) Export benefits under Foreign Trade Policy are recognised when utilized.

(b) Inland Container Depot (ICD)

- (i) Income from Container handling, storage and Rail and Road transportation are recognised on proportionate completion of the movement and delivery of goods to the party/designated place.
- (ii) Income from ground rent is recognised for the period the container is lying in the ICD area.

(c) Rail Transport Operations

- (i) Revenue from sale of services e.g. rail freight income is recognized as per the terms of contracts with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).
- (ii) Measurement of revenue: Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.
- (iii) Revenue from handling and other ancillary services is recognised at the time of rendering of service which is at the time of loading/unloading of container/cargo.



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(d) Domestic Warehousing

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

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

- (f) Dividend income is recognised when the right to receive the payment is established, which is generally when shareholders approve the payment of dividend.

5.11 Foreign currency reinstatement and translation:

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

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

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

5.12 Employee benefits

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

(a) Defined Contribution Plan

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

(b) Defined Benefit Plan

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

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

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

5.13 Taxes on Income

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

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

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



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Arshiya Limited

Notes to the Consolidated Financial statements for the year ended 31st March, 2019

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

5.14 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

5.15 Earnings per Share

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

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

5.16 Current and non-current classification

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

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

5.17 Fair value measurement

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

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

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

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

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



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

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

5.18 Off-setting financial instrument

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

5.19 Segment Reporting - Identification of Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 105, the chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

5.20 Government Grants

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

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

5.21 Contributed Equity

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

5.22 Cash flow statement

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

5.23 Business combinations

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the Retained Earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.
- The identities of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to Capital Reserve and is presented separately from Other Capital Reserves.

6 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based on its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

6.1 Property, plant and equipment and Intangible Assets

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



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

6.2 Income Tax

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

6.3 Contingencies

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

6.4 Impairment of financial assets

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

6.5 Impairment of non-financial assets

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

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

6.6 Defined benefits plans

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

6.7 Recoverability of trade receivable

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

6.8 Provisions

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

6.9 Fair value measurement of financial instruments

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

6.10 Recent accounting pronouncements:

Standards Issued But Not Effective

On 31st March, 2019, the Ministry of Corporate Affairs (MCA) has notified IND AS 116 – Leases and certain amendment to existing IND AS. These amendments shall be applicable to the Group from 1st April, 2019.

(a) Issue of IND AS 116 - Lease

Ind AS 116 will supersede the current standard on leases i.e. IND AS 17- Leases. As per IND AS 116, the lessor will have to bring to books all the non-cancelable portion of leasing arrangement.



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(b) Amendment to existing standards

The MCA has also carried out amendments of the following accounting standards

- (i) IND AS 101- First time adoption of Indian Accounting Standards
- (ii) IND AS 103 - Business Combinations
- (iii) IND AS 109 - Financial Instruments
- (iv) IND AS 111 - Joint Arrangements
- (v) IND AS 12 - Income Taxes
- (vi) IND AS 19 - Employee Benefits
- (vii) IND AS 23 - Borrowing Costs
- (viii) Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Consolidation financial statements.



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Arshiya Limited

Notes to the Consolidated Financial statements for the year ended 31st March, 2019.

7. Property, Plant and Equipment

| Particulars | Freehold Land | Buildings | Railway Terminal | Plant and Equipment | Furniture and Fixtures | Vehicles | Equipments | Computers | Leasehold Improvements | Total |
|---|---------------|-------------|------------------|---------------------|------------------------|----------|------------|-----------|------------------------|-------------|
| Gross Carrying Value (at deemed cost) | | | | | | | | | | |
| As at 31st March, 2017 | 1,54,665.44 | 1,13,376.41 | 14,283.94 | 35,595.29 | 1,852.06 | 97.07 | 2,390.81 | 240.86 | 33.37 | 3,26,535.25 |
| Additions | 4,460.81 | - | 49.60 | 40.92 | - | - | 37.74 | - | - | 4,599.07 |
| Disposals | (9,337.96) | (17,202.94) | - | (1,588.05) | (871.94) | - | (705.64) | (9.17) | - | (29,715.70) |
| Other Adjustments | - | - | - | (8.32) | - | 8.32 | - | - | - | - |
| As at 31st March, 2018 | 1,49,788.29 | 96,173.47 | 14,333.54 | 37,039.84 | 980.12 | 105.39 | 1,722.91 | 231.69 | 33.37 | 3,00,468.62 |
| Additions | 2,583.34 | 608.20 | 55.03 | 62.37 | 22.11 | 13.96 | 19.97 | 18.53 | 161.15 | 3,544.71 |
| Disposals | - | - | - | (1.36) | (116.13) | (23.61) | (38.15) | (43.00) | (33.37) | (255.61) |
| Transfer to Inventories | (19,089.31) | - | - | - | - | - | - | - | - | (19,089.31) |
| As at 31st March, 2019 | 1,33,282.32 | 96,781.67 | 14,388.57 | 37,100.86 | 886.10 | 95.74 | 1,794.73 | 207.27 | 161.15 | 2,84,608.41 |
| Accumulated Depreciation | | | | | | | | | | |
| As at 31st March, 2017 | - | 3,751.87 | 1,154.50 | 3,809.09 | 304.46 | 25.54 | 838.75 | 85.55 | 18.23 | 10,085.99 |
| Depreciation for the year | - | 3,696.23 | 1,167.25 | 3,781.00 | 276.35 | 20.84 | 432.25 | 70.80 | 4.90 | 9,449.87 |
| Disposals | - | (539.43) | - | (298.41) | (268.57) | - | (394.72) | (5.30) | - | (1,604.43) |
| As at 31st March, 2018 | - | 6,908.67 | 2,311.75 | 7,301.73 | 314.44 | 46.38 | 974.28 | 151.05 | 23.13 | 18,031.43 |
| Depreciation for the year | - | 3,397.64 | 1,159.96 | 3,669.17 | 137.24 | 15.11 | 159.16 | 22.87 | 4.00 | 8,565.15 |
| Disposals | - | - | - | (0.31) | (80.07) | (19.55) | (19.18) | (21.93) | (23.13) | (144.17) |
| As at 31st March, 2019 | - | 10,396.31 | 3,471.71 | 10,970.59 | 381.61 | 41.84 | 1,114.26 | 151.99 | 4.00 | 26,452.41 |
| Net Carrying value as at 31st March, 2019 | 1,33,282.32 | 86,475.36 | 10,916.86 | 26,130.27 | 494.49 | 53.80 | 690.47 | 55.28 | 157.15 | 2,58,156.00 |
| Net Carrying value as at 31st March, 2018 | 1,49,788.29 | 89,264.80 | 12,021.79 | 29,738.11 | 665.68 | 59.01 | 748.63 | 80.64 | 10.24 | 2,82,377.19 |

Notes:

1) Freehold Land includes Rs. 9,735.11 Lakh situated at Nagpur, which is under possession of a lender as per the Order of Hon'ble High Court of Bombay dated 9th May, 2013.

2) Freehold Land measuring 45.52 Acres amounting to Rs. 19,089.31 Lakh are converted into inventories.

3) Gross carrying value includes cost of vehicles taken on finance lease Rs. 13.96 Lakh.

4) In accordance with the Indian Accounting Standard (IND AS -36) on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2019.



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Arshiya Limited
Notes to the Consolidated financial statements for the year ended 31st March, 2019
E. Intangible Assets

| (Rs. in Lakhs) | | | | |
|---|------------|-------------------|-------------------|----------|
| Particulars | Trade Mark | Computer Software | Rail License Fees | Total |
| Gross Carrying Value (at deemed cost) | | | | |
| As at 31st March, 2017 | 0.49 | 1,036.94 | 3,208.33 | 4,245.76 |
| Additions | - | 2,239.00 | - | 2,239.00 |
| Deductions | - | (235.50) | - | (235.50) |
| As at 31st March, 2018 | 0.49 | 3,040.44 | 3,208.33 | 6,249.26 |
| Additions | - | - | - | - |
| Deductions | - | (116.94) | - | (116.94) |
| As at 31st March, 2019 | 0.49 | 2,923.50 | 3,208.33 | 6,132.32 |
| Accumulated Amortisation | | | | |
| As at 31st March, 2017 | 0.20 | 448.31 | 250.00 | 698.51 |
| Amortisation for the year | 0.17 | 471.88 | 249.64 | 721.69 |
| Deductions | - | (207.89) | - | (207.89) |
| As at 31st March, 2018 | 0.37 | 712.30 | 499.64 | 1,212.31 |
| Amortisation for the year | - | 804.57 | 249.64 | 854.41 |
| Deductions | - | (59.56) | - | (59.56) |
| As at 31st March, 2019 | 0.37 | 1,257.31 | 749.68 | 2,007.36 |
| Net Carrying value as at 31st March, 2019 | 0.12 | 1,666.19 | 2,458.65 | 4,124.96 |
| Net Carrying value as at 31st March, 2018 | 0.12 | 2,328.14 | 2,708.49 | 5,038.75 |



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(Rs. in Lakh)

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|--|---------------------------|---------------------------|
| Non- Current Financial Assets | | |
| 9. Other Financial Assets | | |
| Security deposits | 1,790.02 | 1,732.58 |
| Total | 1,790.02 | 1,732.58 |
| Non-Current Assets | | |
| 10. Other Non- Current Assets | | |
| Capital Advances | | |
| Considered good | 1,964.05 | 965.29 |
| Considered doubtful | 1,395.00 | 1,395.00 |
| | 3,359.05 | 2,360.29 |
| Less: Provision for impairment | (1,395.00) | (1,395.00) |
| | 1,964.05 | 965.29 |
| Security deposits | 59.39 | 60.89 |
| Prepaid expenses | 1,054.33 | 1,190.39 |
| TDS receivables/Taxes paid | 3,129.68 | 2,601.82 |
| Service tax paid under protest | 5.14 | 3.87 |
| Total | 6,212.59 | 4,822.26 |
| Current Assets | | |
| 11. Inventories | | |
| (Valued at lower of Cost and Net Realisable value) | | |
| Stores and spares | - | 15.66 |
| Land | 16,505.97 | - |
| Total | 16,505.97 | 15.66 |
| Current Financial Assets | | |
| 12. Trade Receivables | | |
| Secured, Considered good | 210.77 | 2,742.67 |
| Unsecured, Considered good | 4,055.40 | - |
| Trade Receivables which have significant increase in credit risk | 183.90 | 71.25 |
| | 4,450.07 | 2,813.92 |
| Less: Provision for expected credit losses | (183.90) | (71.25) |
| Total | 4,266.17 | 2,742.67 |
| 13. Cash and Cash Equivalents | | |
| Balances with banks: | | |
| - in current accounts # | 982.11 | 1,278.68 |
| Cash on hand | 8.45 | 7.16 |
| Total | 990.56 | 1,285.84 |

Cash and cash equivalents as at 31st March, 2019 comprises of restricted bank balances held in escrow account with bank amounting to Rs. 803.81 Lakh (31st March, 2018 - Rs.744.65 Lakh). This account can only be operated with the specific permission / instruction in terms of the Escrow Agreement entered into by the Parent Company, ALL and ALSL with Ascendas Panvel FTWZ Limited (formerly known as Arshiya Rail Siding and Infrastructure Limited (APFL).

(Rs. in Lakh)

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|--|---------------------------|---------------------------|
| 14. Other Bank Balances | | |
| Deposits with banks to the extent held as margin money | 373.29 | 457.68 |
| Interest accrued on fixed deposit | 28.09 | 40.82 |
| Unpaid dividends | - | 0.04 |
| Total | 401.38 | 498.54 |
| 15. Loan | | |
| Unsecured, considered good unless otherwise stated | | |
| Loan to other | 325.12 | - |
| Total | 325.12 | - |



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(Rs. in Lakh)

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---------------------------|---------------------------|
| 16. Other Financial Assets | | |
| Security deposits | 3,251.26 | 3,418.91 |
| Unbilled revenue | 2,508.27 | 390.41 |
| Margin money with Lender* | 170.00 | 170.00 |
| Interest accrued on fixed deposits | 5.45 | - |
| Other recoverables | 2,941.08 | 2,825.28 |
| Total | 8,876.06 | 12,804.60 |
| * To be adjusted at time of final settlement | | |
| 17. Other Current Assets | | |
| Advances to suppliers | 84.85 | 290.22 |
| Advances to employees | 2.87 | 18.58 |
| Other advances | 148.04 | 30.05 |
| Prepaid expenses | 350.00 | 318.10 |
| TDS receivables/Taxes paid | 10.67 | - |
| Balances with Statutory, Government authorities (Refer Note No. 52) | 3,355.87 | 3,537.72 |
| Cash seized by Income Tax (Refer Note No 48) | - | 100.00 |
| Total | 3,880.39 | 4,289.67 |

(Rs. in Lakh)

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---------------------------|---------------------------|
| 18. Share Capital | | |
| Authorized | | |
| (i) 24,75,00,000 (31st March, 2018 - 24,75,00,000) Equity Shares of Rs. 2 each | 4,950.00 | 4,950.00 |
| (ii) 1,10,00,000 (31st March, 2018 - 1,10,00,000) 0% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs. 10 each | 1,100.00 | 1,100.00 |
| Total | 6,050.00 | 6,050.00 |
| Equity Share Capital - Issued, subscribed and fully paid | | |
| 24,36,14,292 (31st March, 2018 - 22,82,16,778) Equity shares of Rs. 2 each | 4,872.29 | 4,564.34 |
| Total | 4,872.29 | 4,564.34 |

(a) Terms and rights

(i) Terms and rights attached to equity shares

The Parent Company has one class of equity share having a par value of Rs. 2 per share. Each holder of equity share is entitled to one vote per share. The shareholders who held shares on the record date are entitled to dividend as may be proposed by the Board of Directors and is subject to approval of the Shareholders at the ensuing General Meeting.

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

(ii) Terms and rights attached to 0% Optionally Convertible Redeemable Preference Shares (OCRPS)

The Parent Company has 0% optionally convertible redeemable preference shares having a par value of Rs. 10 per share. Each holder of OCRPS has right / entitled to convert into equity shares within 18 months from the date of issue or redemption on or after 20 years as per terms.

(b) Reconciliation of equity shares and optionally convertible preference shares

(i) Reconciliation of equity shares outstanding as at the beginning and end of the year

| Particulars | As at 31st March, 2019 | | As at 31st March, 2018 | |
|---|------------------------|-------------|------------------------|-------------|
| | Number of Shares | Rs. in Lakh | Number of Shares | Rs. in Lakh |
| Balance as at the beginning of the year | 22,82,16,778 | 4,564.34 | 16,61,78,472 | 3,323.56 |
| Add: Issued during the year | 1,53,97,516 | 307.95 | 7,20,27,304 | 1,440.78 |
| Balance as at the end of the year | 24,36,14,292 | 4,872.29 | 23,82,16,778 | 4,564.34 |

(ii) Reconciliation of optionally convertible redeemable preference shares outstanding as at the beginning and end of the year

| Particulars | As at 31st March, 2019 | | As at 31st March, 2018 | |
|--|------------------------|-------------|------------------------|-------------|
| | Number of Shares | Rs. in Lakh | Number of Shares | Rs. in Lakh |
| Balance as at the beginning of the year | 57,84,519 | 578.46 | - | - |
| Add: Issued during the year | - | - | 1,19,13,329 | 1,191.33 |
| Less: Converted into equity shares during the year | (57,84,519) | (578.46) | (61,48,710) | (614.87) |
| Balance as at the end of the year | - | - | 57,64,619 | 578.46 |



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(c) Details of equity shares held by the shareholders holding more than 5% of the aggregate shares in the Parent Company

| Name of the shareholder | As at 31st March, 2019 | | As at 31st March, 2018 | |
|---|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Number of equity shares | Percentage (%) shareholding | Percentage (%) shareholding | Percentage (%) shareholding |
| Archana A Mittal | 8,85,59,788 | 38.35% | 8,85,59,208 | 38.80% |
| Ajay S Mittal | 3,85,61,437 | 16.63% | 3,70,60,937 | 16.24% |
| Edelweiss Asset Reconstruction Company Limited (through various trusts) | 5,95,59,828 | 24.45% | 4,56,62,304 | 20.01% |

(d) In Previous year ended 31st March, 2016 the Parent Company had allotted to the Promoter Directors 1,00,00,000 equity shares and 1,00,00,000 share warrants of Rs. 2 each at a premium of Rs.58.35 per share on preferential basis pursuant to the Restructuring Agreement dated 31st March, 2017 and in terms of special resolution passed on 29th April, 2017 as per applicable provisions of Companies Act, 1956/Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirement) Regulation. 65,00,000 share warrants out of 1,00,00,000 share warrants have been converted into Equity shares on 8th November, 2017.

During the year, the Parent Company has allotted 15,00,000 Equity Shares of face value of Rs.2 each to the Promoter upon conversion of equal number of warrants.

| Particulars | (Rs. in Lakh) | |
|--|------------------------|------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| 19. Other Equity | | |
| (i) Share Application money pending allotment | | |
| Balances as at the beginning of the year | - | 18,769.71 |
| Less: On issue of Equity Shares | - | (18,769.71) |
| Balances as at the end of the year | - | - |
| (ii) Money Received against share warrants | | |
| Balances as at the beginning of the year | 860.25 | - |
| Add: received during the year | 15.00 | 860.25 |
| Less: On issue of Equity Shares | (875.25) | - |
| Balances as at the end of the year | - | 860.25 |
| (iii) Equity Component of 8% Optionally Convertible Redeemable Preference shares (OCRPS) | | |
| Balances as at the beginning of the year | 47,551.87 | 66,420.84 |
| Less: On issue of Equity Shares | (47,551.87) | (41,668.97) |
| Balances as at the end of the year | - | 47,551.87 |
| (iv) Capital Reserve | | |
| Balances as at the beginning and end of the year | 1.58 | 1.58 |
| (v) Amalgamation Reserve | | |
| Balances as at the beginning and end of the year | 124.80 | 124.80 |
| Reserve and Surplus | | |
| (vi) Securities Premium Account | | |
| Balances as at the beginning of the year | 1,74,898.87 | 79,617.43 |
| Add: On issue of Equity Shares | 58,213.49 | 95,278.88 |
| Less: Share Issue expenses/ Transaction cost | - | (37.52) |
| Balances as at the end of the year | 2,33,072.16 | 1,74,858.87 |
| (vii) General Reserve | | |
| Balances as at the beginning and end of the year | 940.18 | 940.18 |
| (viii) Deficit in the Statement of Profit and Loss | | |
| Balances as at the beginning of the year | (1,57,399.77) | (1,59,750.24) |
| Add/Less: Profit/(Loss) for the year | (29,737.85) | 3,194.11 |
| Less: Other comprehensive loss | (28.57) | (0.67) |
| Less: Others (net) | (1,386.07) | (1,134.38) |
| Add: Conditional Lease rent | - | 380.41 |
| Balances as at the end of the year | (1,88,445.26) | (1,57,399.77) |
| Total (i to viii) | 48,592.46 | 66,537.58 |

Nature and purpose of Reserve and Surplus:

(a) Securities Premium Account:

Securities premium account is created to record premium received on issue of equity shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013.

(b) General Reserve:

General Reserve is used for time to time to transfer of profits from Retained Earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.



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Anshiya Limited
Notes to the Consolidated financial statements for the year ended 31st March, 2018

(c) Amalgamation Reserve:

Amalgamation reserve is created on account of scheme of amalgamation of erstwhile SDP (India) Private Limited with the Parent Company approved by the Hon'ble High Court of Judicature at Bombay in earlier years.

(d) Retained Earnings:

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

| Particulars | (Rs. in Lakh) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| Non-Current Liabilities | | |
| 20. Borrowings | | |
| Secured | | |
| (a) Term Loans | | |
| From Banks (Refer Note No. 20.1) | 3,571.48 | - |
| From Other Parties (Refer Note No. 20.2) | 1,21,809.11 | 1,29,035.41 |
| (b) Vehicles Loan from bank | 0.52 | - |
| Liability Component of Compound Financial Instruments (CFI'S) | 782.62 | 11,029.52 |
| Total | 1,26,163.68 | 1,40,064.93 |

The details of security, terms of repayment and interest on non-current borrowings (which includes current maturities) obtained by the Group are given below:

(20.1) Rupee Term loan from Banks:

20.1.1 Parent Company

(1) Rupee term loan of Rs. 3,195.39 Lakh (31st March, 2018 - Rs. 3,185.79 Lakh):

(a) Details of security:

- Second charge on movable and immovable Parcel assets of the Parent Company except for the excluded properties under Lease Agreement dated 3rd February, 2018.
- Second charge on present and future receivables including the amount deposited to the SARD TRA account of the Parent Company.
- The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

- Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in Bullet payment at the end of the tenure of loan i.e. 36 months.

- The amortised cost disclosed above is net of incidental cost of borrowings aggregating of Rs. 8.71 Lakh (31st March, 2018 - Rs.10.21 Lakh).

(2) Rupee term loan of Rs. 474.30 Lakh:

(a) Details of security:

- Second charge on movable and immovable Parcel assets of the Parent Company except for the excluded properties under Lease Agreement dated 3rd February, 2018.
- Second charge on present and future receivables including the amount deposited to the SARD TRA account of the Parent Company.
- The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

- Rate of Interest is @ 14.50% p.a.

(c) Terms of Repayment:-

Rupee term loan is repayable in 78 equal monthly instalment commencing from the date of first disbursement i.e. 31st August, 2018.

- The Parent Company has been in default for the repayment of principal amount of Rs. 19.17 Lakh.

(20.2) Rupee Term loans from Other Parties

20.2.1 Parent Company

(1) Rupee term loan of Rs. 69,653.26 Lakh (31st March, 2018 - Rs. 69,359.33 Lakh):

(a) Security provided:

- First charge in all the present and future movable and immovable property, plant and equipment including intangible assets, assignment of rights and benefits of the Parent Company but excluding project assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.
- Second charge on current assets of the Parent Company but excluding current assets for Khurja FTWZ project, Khurja Distripark Project, Nagpur project and Rail project on pari passu basis.



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

- (iii) first part passu charge by way of hypothecation on the Partial Receivables both existing and future of whatsoever nature.
- (iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
- (v) The loans are secured by pledged of shares held by the two Promoter Directors of the Parent Company.

(b) Terms of Interest rate

Rate of interest is @ 10% p.a. compounded quarterly.

(c) Terms of Repayment:-

| (Rs. in Lakh) | |
|---------------|------------------|
| Year | Loan from Others |
| FY 2017-18 | 5,671.09 |
| FY 2018-19 | 14,001.48 |
| FY 2019-20 | 40,404.50 |
| Total | 60,077.05 |

(i) The Parent Company has been in default for the repayment of principal amount of Rs. 5,671.09 Lakh. (31st March, 2018 - Rs. 5,671.09 Lakh).

(ii) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 563.80 Lakh (31st March, 2017 - Rs. 717.82 Lakh).

(2) Rupee term loan of Rs. 2,495.44 Lakh (31st March, 2018 - Rs. 2,672.34 Lakh).**(a) Securities provided**

(i) Second charge by way of equitable mortgage/hypothecation on the entire immovable and movable property, plant and equipment of the Parent Company on pari-passu basis.

(ii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of Repayment:-

Rupee term loan is repayable in 12 structured quarterly instalments commencing from 31st January, 2018.

(i) The Parent Company has been in default for the repayment of principal amount of Rs. 670 Lakh. (31st March, 2018 - Rs. 428 Lakh).

(ii) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 186.56 Lakh (31st March, 2018 - Rs. 405.66 Lakh).

(3) Rupee term loan of Rs. 2,218.55 Lakh:**(a) Securities provided**

(i) The above loan are secured by charge on residual cashflow of the Parent Company.

(ii) The above loans are secured by the immovable property held by one Promoter Director of the Parent Company on pari-passu basis.

(iii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(iv) The above loans are secured by pledged of shares held by the one Promoter Director of the Parent Company.

(b) Terms of Interest rate

Rate of interest is @ 16% p.a. compounded half yearly.

(c) Terms of Repayment:-

Rupee term loan is repayable in bullet payment at the end of the tenure of loan i.e. 18 months.

(i) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 81.35 Lakh.

22.2.2 ARL**(1) Rupee term loan of Rs. 32,642.31 Lakh (31st March, 2018 - Rs. 32,692.25 Lakh):****(a) Securities provided**

(i) First charge on all movable assets (including stocks, containers, equipments) and immovable properties of ARL both present and future on pari-passu basis.

(ii) Second charge by way of hypothecation of the entire current assets of ARL on pari-passu basis.

(iii) Pledge of 100% equity shares of ARL held by the Parent Company.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

Rate of interest is @ 10% p.a. compounded quarterly.



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Arshiya Limited
Notes to the Consolidated financial statements for the year ended 31st March, 2019

| (c) Terms of Repayment:- | | (Rs. in Lakh) |
|--------------------------|-----------------|---------------|
| Year | Loan from Banks | |
| FY 2019-2020 | | 1,744.54 |
| FY 2020-2021 | | 6,139.19 |
| FY 2021-2022 | | 2,270.51 |
| FY 2022-2023 | | 23,856.16 |
| Total | | 34,114.50 |

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 457.16 Lakh (31st March, 2018 - Rs. 612.14 Lakh).

20.2.3 ANFL

(1) Rupee term loan from Other Parties of Rs. 10,627.19 Lakh (31st March, 2017 - Rs. 16,447.22 Lakh):

(a) Security provided:

(i) First charge on fixed assets of ANFL both present and future on pari passu basis.

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

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

(iv) Second charge on current assets of ANFL.

(v) Pledge of 40,52,776 equity shares of ANFL held by the Parent Company.

(vi) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(vii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of interest rate:

Rate of interest is @ 10% p.a. compounded quarterly.

| (c) Terms of Repayment:- | | (Rs. in Lakh) |
|--------------------------|-----------------|---------------|
| Year | Loan from Banks | |
| FY 2019-2020 | | 2,113.19 |
| FY 2020-2021 | | 323.92 |
| FY 2021-2022 | | 3,585.55 |
| FY 2022-2023 | | 5,323.63 |
| Total | | 11,546.29 |

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 519.15 Lakh (31st March, 2018 - Rs. 696.93 Lakh).

20.2.4 AIDHL

(1) Rupee term loan from Other Parties of Rs. 26,691.94 Lakh (31st March, 2018 - Rs. 26,689.66 Lakh):

(a) Security provided:

(i) First charge on all movable and immovable properties of AIDHL both present and future on pari passu basis.

(ii) First charge by way of hypothecation of the entire current assets of AIDHL on pari passu basis.

(iii) Pledge of 100% equity shares of AIDHL held by the Parent Company.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of interest rate:

Rate of interest is @ 10% p.a. compounded quarterly.

| (c) Terms of Repayment:- | | (Rs. in Lakh) |
|--------------------------|-----------------|---------------|
| Year | Loan from Banks | |
| FY 2019-2020 | | 1,895.69 |
| FY 2020-2021 | | 4,034.74 |
| FY 2021-2022 | | 2,209.30 |
| FY 2022-2023 | | 18,470.27 |
| Total | | 26,660.00 |

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 8.06 Lakh (31st March, 2018 - Rs. 10.44 Lakh).

20.3 Vehicle loans from Banks

Vehicle loans are secured by way of hypothecation of vehicles. Rate of interest is @ 8.55% p.a. and repayment tenure is monthly instalment up to October 2023 and January 2024 respectively.



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

| (Rs. in Lakh) | | |
|--|---------------------------|---------------------------|
| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
| 21. Other Financial Liabilities | | |
| Financial Liabilities at amortised cost: | | |
| Security deposit from unit holders | 377.71 | 358.37 |
| Other financial liabilities: | - | 1,718.96 |
| Financial guarantees obligations | - | 234.93 |
| Interest accrued but not due on borrowings | 221.56 | - |
| Advance warehouse rent | 12.44 | - |
| Total | 412.11 | 2,395.76 |
| 22. Provisions | | |
| Provision for employee benefits (Refer Note No.40) | | |
| Gratuity | 171.86 | 123.79 |
| Leave encashment | 101.79 | 92.06 |
| Total | 273.72 | 233.82 |
| 23. Other Non-Current Liabilities | | |
| Lease equalisation reserve | 769.56 | 129.20 |
| Government grants | 1,632.32 | 1,723.68 |
| Total | 2,336.57 | 1,852.89 |

| (Rs. in Lakh) | | |
|---|---------------------------|---------------------------|
| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
| Current Financial Liabilities | | |
| 24. Borrowings | | |
| Secured | | |
| (a) Working Capital facility (Cash Credit from banks) (Refer Note No. 24.1) | 283.30 | 283.34 |
| (b) Loan from Other Parties (Refer Note No. 24.2) | 12,524.06 | 11,474.05 |
| Unsecured | | |
| (a) Loans from Promoter Directors (Refer Note No. 24.3) | 160.11 | 1,937.76 |
| (b) Inter Corporate Deposits (Refer Note No. 24.4) | 77.00 | 78.00 |
| Total | 12,524.46 | 13,753.15 |

24.1 Working capital facility (Cash Credit) from banks:
24.1.1 ANFL

(1) Rs. 283.30 Lakh (31st March, 2018 - Rs. 283.34 Lakh)

(a) Securities provided:

- (i) First charge on entire current assets of ANFL, both present and future on pari passu basis.
- (ii) Second pari passu charge on the assets charged for term loan of ANFL on first pari passu charge to lenders.
- (iii) Pledge of 40,52,778 equity shares of ANFL held by its Parent Company.
- (iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
- (v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of interest:

Rate of interest on working capital is @ 14% p.a.

(c) ANFL has been in continuing default for the repayment of principal amount of Rs. 283.30 Lakh since FY 2014-15.

24.2 Loan from Other Parties:
24.2.1 Parent Company

(1) Loan of Rs. 8,474.04 Lakh (31st March, 2018 - Rs. 8,474.04 Lakh)

(a) Securities provided:

- First Ranking charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of the Parent Company as per the Deed of Hypothecation.
- The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(b) Terms of interest: @ 16% p.a.

(c) The Parent Company has been in default for the repayment of principal amount of Rs. 8,474.04 Lakh (31st March, 2018 - Rs. Nil)



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Arshiya Limited
Notes to the Consolidated financial statements for the year ended 31st March, 2019

(2) Loan of Rs. 550.00 Lakh

(a) Securities provided:

- Exclusive charges on cash flows of Domestic warehousing building.
- The above loans are secured by mortgage over lands admeasuring 7,130 Sq. mt. of the Company and wholly owned subsidiaries company.
- The above loans are secured by personal guarantees of one Promoter Director of the Parent Company.
- The above loans are secured by corporate guarantees of the two subsidiary Companies i.e. Arshiya Rail Infrastructure Limited and Arshiya Northern FTVQ Limited.

(b) Terms of interest: @ 11% p.a.

24.2.2 AIDHL

(1) Loan of Rs. 3,000.00 Lakh (31st March, 2018 - Rs. 3,000.00 Lakh)

(a) Securities provided:

- (i) First Ranking charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of AIDHL as per the Deed of Hypothecation.
- (ii) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
- (iii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of interest:

Rate of interest on said loan is @ 13% p.a.

(c) Terms of Repayment & Default:

Default in repayment of principal of Rupees 3,000.00 Lakh as at 31st March, 2019. The same has been recalled by the lender.

(24.3) Unsecured Loan from Promoter Directors:

(24.3.1) Parent Company

Loans from promoter directors of the Parent Company are interest free and repayable on demand.

(24.4) Unsecured Loan from Inter Corporate Deposits:

24.4.1 Parent Company

Intercompany Deposit of Rs. 77 Lakh (31st March, 2018 - Rs. 77 Lakh) is interest free and repayable on demand.

24.4.2 ALL

Intercompany Deposit of Rs. Nil (31st March, 2018 - Rs. 1 Lakh) is interest free and repayable on demand.

| Particulars | (Rs. in Lakh) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| 25. Trade Payables | | |
| Micro and small enterprises (Refer Note No.35) | 84.00 | 18.11 |
| Others | 2,494.30 | 1,773.52 |
| Total | 2,578.30 | 1,791.63 |

| Particulars | (Rs. in Lakh) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| 26. Other Financial Liabilities | | |
| Financial Liabilities at amortised cost | | |
| Current maturities of long term debts from banks | 20,583.78 | 22,527.15 |
| Current maturities of long term debts from other parties | 23,044.57 | 13,875.60 |
| Current maturities of vehicle loan | 1.80 | - |
| Interest accrued and due on borrowings | 36,979.24 | 27,947.92 |
| Interest accrued but not due on borrowings | 10,411.04 | 4,569.33 |
| Interest payable on delayed payments to MSME creditors (Refer Note No.35) | 2.50 | 0.22 |
| Unclaimed dividends | - | 0.04 |
| Deposit from Unitholders | 910.82 | 938.16 |
| Financial guarantees obligations | 10.55 | - |
| Payable for capital goods | 7,228.05 | 5,422.54 |
| Dues to employees (including full and final settlement) | 719.31 | 474.12 |
| Payable for expenses | 978.38 | 1,146.06 |
| Other Payables | - | 30.78 |
| Total | 1,02,881.88 | 79,935.84 |



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25.1 Rupee Term Loan from Banks:

25.1.1 Parent Company

(1) Rupee Term loan - Rs. 1,472.84 Lakh (31st March, 2019 - Rs. 1,491.67 Lakh)

(a) Securities provided:

- Second charge on movable and immovable property, plant and equipments of the Parent Company, present and future on pari-passu.

(b) The above loan is secured by personal guarantees of two Promoter Directors of the Parent Company.

(c) Terms of Interest rate:

Rate of interest is @ 12% p.a.

(d) Terms of Repayment & Default:

The bank has been repaid loan of Rs. 1,472.84 Lakh (31st March, 2019 - Rs. 1,491.67 Lakh) and interest (including penal interest) of Rs. 178.66 Lakh (31st March, 2019 - Rs. 32.15 Lakh).

25.1.2 ARIL

(1) Rupee Term loan from Banks of Rs. 6,910.66 Lakh (31st March, 2019 - Rs. 6,921.29 Lakh)

(a) Securities provided

(i) First charge on all movable assets (including vehicles, containers, equipment(s)) and immovable properties of ARIL both present and future on pari passu basis.

(ii) Second charge by way of hypothecation of the entire current assets of ARIL on pari passu basis.

(iii) Pledge of 100% equity shares of the ARIL held by the Parent Company.

(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

(i) Rate of interest is @ 10.45% p.a. - 16.25% p.a.

(c) Terms of Repayment:-

(Rs. in Lakh)

| Year | Loan from Banks |
|---------------|-----------------|
| FY 2012-2013 | 22.50 |
| FY 2013-2014 | 75.00 |
| FY 2014-2015 | 277.50 |
| FY 2015-2016 | 3,635.60 |
| FY 2016-2017* | 2,840.00 |
| Total | 6,910.66 |

* Refer Note No. 48

(d) Details of default in repayment of principal on secured loans as on 31st March, 2019 are as follows:

(Rs. in Lakh)

| Year | Loan from Banks |
|--------------|-----------------|
| FY 2012-2013 | 22.50 |
| FY 2013-2014 | 75.00 |
| FY 2014-2015 | 277.50 |
| FY 2015-2016 | 3,635.60 |
| FY 2016-2017 | 2,840.00 |
| Total | 6,910.66 |

The above loan has been repaid by Banks.

25.1.3 ANFL

(1) Rupee Term loans - Rs. 12,104.18 Lakh (31st March, 2019 - Rs. 12,154.18 Lakh)

(a) Securities provided:

(i) First charge on fixed assets of ANFL both present and future on pari passu basis.

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

(iii) Assignment of contractor guarantees, Reputed damages, letter of credit, guarantee or performance under any project agreement or contract in favour of ANFL.

(iv) Second charge on current assets of ANFL.

(v) Pledge of 40,52,778 equity shares of ANFL held by the Parent Company.

(vi) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.

(vii) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

Rate of interest is @ 13% p.a.

(c) Terms of Repayment:-

(Rs. in Lakh)

| Year | Loan from Banks |
|--------------|-----------------|
| FY 2012-2013 | 604.22 |
| FY 2013-2014 | 1,410.23 |
| FY 2014-2015 | 1,550.75 |
| FY 2015-2016 | 6,458.97 |
| Total | 12,104.18 |



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Arshiya Limited
Notes to the Consolidated financial statements for the year ended 31st March, 2019

(d) The Bank has been recalled loan of Rs. 12,104.18 Lakh (31st March, 2018 - Rs. 12,104.18 Lakh) and interest of Rs. 14,947.59 Lakh (31st March, 2018 - Rs. 11,598.50 Lakh).

Details of default in repayment of principal on secured loans as on 31st March, 2019 are as follows:

| (Rs. in Lakh) | |
|---------------|------------------|
| Year | Loan from Banks |
| FY 2012-2013 | 604.22 |
| FY 2013-2014 | 1,410.23 |
| FY 2014-2015 | 1,580.76 |
| FY 2015-2016 | 8,408.97 |
| Total | 12,104.18 |

(25.2) Term loans from Other Parties

25.2.1 Parent Company

- (1) Loan of Rs. 5,600.00 Lakh (31st March, 2018 - Rs. 5,600.00 Lakh) (Refer Note No. 48)
Secured by first and exclusive charge on land situated at Village Buttori at Nagpur, Maharashtra. The said loan carries interest @ 20% p.a.
- (2) Loan of Rs. 2,660.00 Lakh (31st March, 2018 - Rs. 1,951.52 Lakh) (Refer Note No. 48)
(i) Secured by first and exclusive charge on land situated at Khurja, Bulandshahr, Uttar Pradesh
(ii) The Parent Company has been in default for the repayment of principal amount of Rs. 2,000 Lakh. (31st March, 2017 - Rs. 975 Lakh)
(iii) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. Nil (31st March, 2018 - Rs. 23.48 Lakh).

25.2.2 ARL

(1) Rupee Term loans - Rs. 2,960.00 Lakh

- (a) Securities provided:
(i) First pari passu charge on all present and future cash flows of ARL.
(ii) First pari passu charge on all movable and immovable assets of ARL.
(iii) Charge on cash flows and movable assets by deed of hypothecation.
(iv) The above loans are secured by personal guarantees of two Promoter Directors of the Parent Company.
(v) The above loans are secured by corporate guarantees of the Parent Company.

(b) Terms of Interest rate:

Rate of interest is @ 20% p.a.

(c) Terms of Repayment:- (Rs. in Lakh)

| Year | Loan from Others |
|--------------|------------------|
| FY 2022-2023 | 2,960.00 |

(d) The above loan has been recalled during the year.

25.2.3 ANPL

(1) Loan of Rupee Nil (31st March, 2018 - Rs. 200.00 Lakh):

- (a) Securities provided:
(i) The above loan is secured by personal guarantees of two Promoter Directors of the Parent Company.
(ii) Charge on movable property has been registered and on immovable property i.e. land admeasuring 1.68 acres is to be registered.

(b) Terms of Interest rate:

Rate of interest is @ 11% p.a.

(25.3) Details of default in payment of interest on secured loans as on 31st March, 2019 are as follows:

| (Rs. in Lakh) | | | |
|---------------|------------------|------------------|------------------|
| Year | Banks | Others | Total |
| FY 2013-2014 | 3,018.40 | - | 3,018.40 |
| FY 2014-2015 | 2,706.66 | - | 2,706.66 |
| FY 2015-2016 | 3,123.67 | - | 3,123.67 |
| FY 2016-2017 | 3,628.35 | - | 3,628.35 |
| FY 2017-2018 | 4,400.91 | 3,737.82 | 8,144.73 |
| FY 2018-2019 | 7,015.01 | 11,821.02 | 18,836.03 |
| Total | 23,918.80 | 15,558.84 | 38,876.24 |



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Arshiya Limited
Notes to the Consolidated financial statements for the year ended 31st March, 2019

| Particulars | (Rs. in Lakh) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| 27. Other Current Liabilities | | |
| Advance received from Customers | 333.50 | - |
| Government Grants | 365.49 | 939.91 |
| Trade advances received | - | 282.59 |
| Other Advances | 1.89 | 1.74 |
| Statutory dues (Refer note below) | 2,120.97 | 1,397.22 |
| Interest on delayed payment of statutory dues | 1,008.18 | 1,360.65 |
| Total | 4,430.03 | 3,682.81 |

Notes:

(1) Statutory dues included Tax deducted at source (TDS), Provident Fund (PF), Profession Tax (PT) and Employee State Insurance Corporation (ESIC).

(2) Based on recent Supreme court judgement on structure of component for calculation of Provident Fund dated February 28, 2019 there are various interpretive issues including its applicability thus prospective provision w.e.f. March 01, 2019 been considered of Rs. 1.36 lakhs.

| Government Grant | | (Rs. in Lakh) | |
|-----------------------------------|---------------------------|---------------------------|--|
| Particulars | As at 31st March, 2019 | As at 31st March, 2018 | |
| Opening balance | 2,363.30 | 2,728.79 | |
| Income recognised during the year | (365.49) | (365.49) | |
| Closing balance | 1,997.81 | 2,363.30 | |
| Non-current liabilities | 1,632.32 | 1,723.99 | |
| Current liabilities | 365.49 | 639.31 | |

| | | (Rs. in Lakh) | |
|---|---------------------------|---------------------------|--|
| Particulars | As at 31st March, 2019 | As at 31st March, 2018 | |
| 28. Provision | | | |
| Provision for employee benefits (Refer Note No. 40) | | | |
| Gratuity | 3.77 | 6.12 | |
| Leave encashment | 22.08 | 16.31 | |
| Total | 25.85 | 22.43 | |



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

(Rs. in Lakh)

| Particulars | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
|---|--------------------------------|--------------------------------|
| 29. Revenue from Operations | | |
| Sale of services | | |
| Rail freight income | 12,074.57 | 12,374.23 |
| Storage income | 8,623.97 | 8,422.98 |
| Conditional Lease rent | 2,509.00 | - |
| Road freight income | 2,508.21 | 1,905.23 |
| Material handling and other services | 2,884.45 | 815.18 |
| Terminal income | 233.83 | 175.40 |
| Domestic warehousing income | 121.00 | 20.00 |
| Finance lease income | 3.00 | - |
| Other operating income | 10.55 | 2,192.69 |
| Total | 28,937.58 | 25,905.69 |
| 30. Other Income | | |
| Interest income on: | | |
| Bank fixed deposits | 39.72 | 54.23 |
| Loans to others | 25.07 | 24.94 |
| Others | 8.54 | 61.13 |
| Dividend income | - | 0.60 |
| Government grants | 365.49 | 365.49 |
| Financial guarantee income | 227.88 | 2.57 |
| Financial assets carried at amortised cost | 193.08 | - |
| Foreign exchange difference (net) | - | 105.30 |
| Provision for doubtful debts written back | - | 109.51 |
| Excess provision written back | - | 463.14 |
| Sundry balance written back | 931.35 | 452.89 |
| Gain on derecognised of Liability Component | 553.17 | - |
| Gain on disposal of Property, plant and equipment | 0.03 | - |
| Miscellaneous income | 55.78 | 25.29 |
| Total | 2,469.09 | 1,865.19 |
| 31. Freight Expenses | | |
| Rail freight expenses | 9,449.49 | 10,215.90 |
| Road freight expenses | 1,504.81 | 1,452.41 |
| Total | 10,954.30 | 11,668.31 |
| 32. Employee Benefits Expense | | |
| Salaries, wages and bonus | 3,668.32 | 3,435.33 |
| Contribution to provident and other funds | 102.07 | 93.09 |
| Staff welfare expenses | 126.46 | 106.12 |
| Total | 3,896.85 | 3,634.54 |



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Arshiya Limited
Notes to the Consolidated financial statements for the year ended 31st March, 2019
(Rs. In Lakh)

| Particulars | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
|---|--------------------------------|--------------------------------|
| 33. Finance Cost | | |
| Interest expense on borrowings | 25,951.79 | 30,847.03 |
| Interest expense on statutory dues | 315.67 | 707.04 |
| Unwind interest expense on security deposits | 7.83 | 155.48 |
| Interest expense on others | 914.37 | 3.52 |
| Interest expense on MSMED vendors (Refer Note No. 39) | 4.01 | 0.25 |
| Other borrowing costs | 365.62 | 64.07 |
| Total | 27,559.39 | 31,988.39 |
| 34. Depreciation and Amortisation Expense | | |
| Depreciation on property, plant and equipment | 8,565.15 | 9,449.87 |
| Amortisation on intangible assets | 854.61 | 721.89 |
| Total | 9,419.76 | 10,171.76 |
| 35. Other Expenses | | |
| Electricity charges | 562.86 | 325.80 |
| Rent | 553.88 | 497.56 |
| Repairs and maintenance: | | |
| Building | 100.77 | 809.46 |
| Plant and Machinery | 74.75 | 64.53 |
| Others | 132.88 | 135.36 |
| Insurance | 55.73 | 60.60 |
| Rates and taxes | 69.52 | 34.98 |
| Communication expenses | 75.55 | 73.24 |
| Travelling and conveyance expenses | 435.30 | 447.72 |
| Vehicle expenses | 94.38 | 102.69 |
| Printing and stationery | 49.64 | 44.20 |
| Legal and professional fees | 409.31 | 344.60 |
| Security charges | 415.37 | 392.09 |
| Advertisement and Business Promotion expenses | 73.35 | 198.08 |
| Auditor's remuneration: | | |
| - Audit Fees | 137.82 | 104.79 |
| - Limited Review Fees | 15.00 | 18.25 |
| - Certification fees | 31.95 | 1.75 |
| Provision for doubtful debts | 112.85 | 57.49 |
| Bad Debts | 45.81 | 101.54 |
| Foreign exchange differences (net) | 43.21 | - |
| Miscellaneous expenses | 209.70 | 184.66 |
| Director sitting fees | 2.85 | - |
| Discarding/written off of Property, plant and equipment and intangible assets | 165.34 | 27.62 |
| Total | 3,929.29 | 4,947.50 |
| 36. Exceptional Items | | |
| Reconciliation of loan accounts (net) | - | (562.39) |
| Settlement of claims | (5,167.04) | (19,476.47) |
| Loss on sale of subsidiary (Refer Note No. 57) | - | (4,314.89) |
| Gain on monetization of property, plant and equipment (Refer Note No. 59) | - | (15,833.29) |
| Loss on sale/discard of Property, plant and equipment | - | 515.64 |
| Total | (5,167.04) | (39,473.20) |



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Arshiya Limited
Notes to Consolidated financial statements for the year ended 31st March, 2019
37 Contingent Liabilities and Commitments
37.1 Contingent Liabilities (to the extent not provided for in respect of):

(Rs. in Lakh)

| S. No. | Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|--------|--|---------------------------|---------------------------|
| (a) | Disputed Income Tax Demands | 18,515.52 | 11,587.78 |
| (b) | Disputed Sales Tax demands | - | 20.51 |
| (c) | Disputed Service Tax demand | 114.23 | 51.55 |
| (d) | Disputed Local Body Tax demand | 160.33 | 162.33 |
| (e) | Claims against the group not acknowledged as debts | 2,291.99 | 2,397.12 |
| (f) | Bank Guarantees | 118.25 | 162.00 |
| (g) | Letter of Credit / Letter of Credit given in favour of Railways for availing a-freight facility for haulage payment) | 100.00 | 100.00 |
| (h) | Import Continuity / Transshipment Bond / Custodian cum Carrier Bond | 43,501.21 | 31,810.21 |
| (i) | Corporate Guarantees given | 18,500.00 | - |

37.2 Capital commitments

Estimated amount of contracts remaining to be executed on capital and other accounts and not provided for (net of advances paid) are Rs. 8,345.90 Lakh (31st March, 2018 - Rs. 449.60 Lakh)

38 Operating lease commitments

(a) The Arshiya Lifestyle Limited (wholly owned subsidiary) has entered into operating lease arrangements for certain warehouse facilities. The lease is non-cancellable and is for a period of 5 years and may be renewed for a further period of 5 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5 % every year from lease commencement date.

(Rs. in Lakh)

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|--------------------------|--------------------------|
| Future Non-Cancellable minimum lease commitments | | |
| Within one year | 4,916.73 | 4,642.37 |
| Later than one year but not later than five years | 21,214.21 | 21,009.65 |
| Later than five years | - | 4,595.67 |

(b) The Group has taken office on lease under non-cancellable operating lease expiring at the end of 3 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

(Rs. in Lakh)

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---------------------------|---------------------------|
| Future Non-Cancellable minimum lease commitments | | |
| Within one year | 351.92 | 340.65 |
| Later than one year but not later than five years | 595.19 | 1,551.11 |
| Later than five years | - | - |

39 Details of dues to Micro, Small And Medium Enterprises as per MSMED Act, 2006

(Rs. in Lakh)

| S. No. | Description | As at 31st March, 2019 | As at 31st March, 2018 |
|--------|--|---------------------------|---------------------------|
| a) | Principal amount due and remaining unpaid | 84.95 | 15.11 |
| b) | Interest due thereon remaining unpaid | 4.01 | 0.22 |
| c) | Interest paid by the Group in terms of Section 16 of the MSMED Act, 2006, 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 | 4.01 | 0.22 |
| f) | Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises. | - | - |

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



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Arshiya Limited
Notes to Consolidated financial statements for the year ended 31st March, 2019
40 Employee Benefits
40.1 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:

| Particulars | (Rs. in Lakh) | |
|---|--------------------------------|--------------------------------|
| | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
| Employer's Contribution to Provident Fund | 21.58 | 19.63 |
| Employer's Contribution to Pension Scheme | 49.02 | 44.81 |
| Employer's Contribution to ESIC | 2.12 | 3.30 |

(b) Brief descriptions of the plans

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

(c) Leave Encashment:

| Particulars | (Rs. in Lakh) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Provision recognised in the Balance Sheet | | |
| Current Provision as at the end of the year | 22.08 | 16.31 |
| Non Current Provision as at the end of the year | 101.78 | 80.08 |
| Provision recognised in the Balance Sheet | 123.86 | 96.37 |

(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.

| Particulars | (Rs. in Lakh) | |
|---|--|--|
| | 31st March, 2019 | 31st March, 2018 |
| I. Actuarial assumptions | | |
| Mortality Table | Indian Assured lives Mortality (2006-08) UL | Indian Assured lives Mortality (2006-08) UL |
| Discount rate | 6.95% | 7.40% |
| Expected return on plan assets | 7.40% | 6.17% |
| Salary Escalation Rate | 9.00% | 7.00% |
| Withdrawal Rate | 17.00% | 15.00% |
| Retirement Age | 58 Years | 58 Years |
| II. Change in Present value of defined benefit obligations | | |
| Provision as at the beginning of the year | 200.03 | 171.79 |
| Interest cost | 14.87 | 11.03 |
| Current service cost | 42.21 | 55.01 |
| Benefits paid | (22.25) | 32.45 |
| Actuarial (gain)/loss on obligations | 28.56 | (10.62) |
| Provision as at the end of the year | 263.42 | 259.66 |
| III. Change in Fair value of plan assets | | |
| Fair value of plan assets as at the beginning of the year | 81.08 | 118.08 |
| Expected return on plan assets | 6.04 | 15.67 |
| Actual Enterprise's Contributions | (22.25) | (32.45) |
| Benefits paid | 22.25 | 32.45 |
| Unrecognised asset due to limit in Para 54(b) | - | - |
| Actuarial gain/(loss) on plan assets | - | (4.59) |
| Fair value of plan assets as at the end of the year | 87.78 | 129.78 |
| IV. Actual return on plan assets | | |
| Expected return on plan assets | 6.04 | 15.67 |
| Actuarial gain/(loss) on plan assets | - | (4.59) |
| Actual return on plan assets | 6.04 | 11.08 |
| V. Provision recognised in the Balance Sheet | | |
| Provision as at the end of the year | 263.42 | 259.66 |
| Fair value of plan assets as at the end of the year | 87.78 | 129.78 |
| Provision recognised in the Balance Sheet | 175.72 | 129.88 |



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Arshiya Limited

Notes to Consolidated financial statements for the year ended 31st March, 2019

| | | |
|---|---------|---------|
| 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 | 42.21 | 55.91 |
| Interest cost | 11.04 | 11.03 |
| Expected return on plan assets | (2.20) | (19.22) |
| Net actuarial (gain)/loss to be on obligation | - | - |
| Expense recognised in Statement of Profit and Loss | 51.04 | 46.63 |
| VIII. Amount recognised in the Other Comprehensive Income (OCI) | | |
| Due to Change in financial assumptions | 32.31 | (4.28) |
| Due to Change in demographic assumption | (4.19) | 0.06 |
| Due to Change in experience assumption | 0.45 | (8.38) |
| Expected return on plan assets | - | (4.59) |
| Total remeasurement recognised in OCI | 28.57 | (9.67) |
| IX. Balance Sheet reconciliation | | |
| Opening net provision | 118.37 | 53.11 |
| Expenses recognised in Profit & Loss | 51.04 | 57.91 |
| Actual Employer Contribution | (22.25) | 28.53 |
| Net transfer by group companies | - | - |
| Total Remeasurement recognised in OCI | 28.56 | (9.67) |
| Closing net provision | 175.72 | 129.88 |

- (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.

40.2 Sensitivity analysis:

| (Rs. in Lakh) | | |
|-------------------------------------|------------------------|-------------------------------|
| Particulars | Changes in assumptions | Effect on Gratuity obligation |
| For the year ended 31st March, 2018 | | |
| Salary growth rate | +0.50% | 289.11 |
| | -0.50% | 275.58 |
| Discount rate | +0.50% | 278.63 |
| | -0.50% | 289.11 |
| For the year ended 31st March, 2019 | | |
| Salary growth rate | +0.10% | 273.60 |
| | -0.10% | 253.86 |
| Discount rate | +0.10% | 253.79 |
| | -0.10% | 273.82 |

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

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

- (a) Interest risk - A decrease in the discount rate will increase the plan provision.
- (b) Longevity risk - The present value of the defined benefit plan provision is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants. As such, an increase the plan's provision.
- (c) Salary risk - The present value of the defined plan provision is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's provision.

- 40.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 5 years (31st March, 2018 - 5 years).



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Arshiya Limited

Notes to Consolidated financial statements for the year ended 31st March, 2019

41 Preparation of financial statements on "Going Concern" basis

- (a) One of the subsidiary Company viz Arshiya Rail Infrastructure Limited has accumulated losses and negative net worth. Some of its lenders have recalled their loans and the subsidiary company is in the process of negotiating the revised payment terms. The subsidiary Company is EBITDA positive and with the commencement of the two dedicated freight corridors, the said subsidiary company will benefit immensely. Moreover a unique contract entered into with one of the largest global shipping lines has already started to improve the profitability. Also, the proposed merger of another subsidiary company with this subsidiary company, would make their operations not only complementary, but enhance their profitability.

In view of the focussed emphasis of the Government on logistics infrastructure sector, the proposed restructuring and considering the fact that the facilities are yet to achieve full operational potential besides the strategic locations of the facilities, the management's future outlook of its businesses is very promising. Accordingly, the financials have been prepared on going concern basis including based on financial support from the Parent Company.

- (i) Diversified focus from only Steel industry to Cement, Agro and Tiles also so as to have a balance of product mix.
- (ii) Stabilizing of PFT business with Long term contracts and constructing the second line.
- (iii) Standardization of Containers to be able to better utilize the assets.
- (iv) Government focus on Multi-modal logistic and transport services to increase the throughput of the infrastructure already created by the company.
- (v) Government focus on the revamping of the Railway Boards and increasing clarity on regulatory aspects to support resolution of the regulatory issues.
- (vi) Two Dedicated Freight Corridor(s) (DFC) along the Western and Eastern part of India to support increase in the business volume.
- (vii) Government announcement of Jewar Airport and Merut Highway connecting Jewar via Khurga and thereby connecting to Yamuna Expressway(i.e. Delhi to Agra).
- (b) Certain creditors have initiated legal proceedings against the Group and its Directors and the Group has defaulted in payment of instalments of consent terms for which the Group is in process of negotiating and finalising the revised consent terms. Majority of the creditors have been settled over the past few years and some of the creditors have also shown interest and faith not only in the logistics infrastructure sector but also in Arshiya Group and are being allotted equity shares of the Parent Company.
- (c) The Parent Company, ATHL, ANFL and AJDHL has accumulated losses and certain creditors have initiated legal proceeding against this companies and their Directors for recovery of the amounts due. However in certain cases has executed consent terms or is in the process of finalising consent terms with the creditors.

The Parent Company has given its warehouses on long term lease and received upfront lease payments. The management has also initiated various other steps such as construction and future development within the FTWZ, restructuring the Parent Company and its subsidiaries business operations. The Parent Company, has given a support letter to extend, for the foreseeable future, any financial support which may be required by those subsidiaries. Considering the strength of locational advantages, future outlook as assessed by the management and business plan, those subsidiaries' management is confident to continue as a going concern. The long term prospects, however, are dependent on various factors and consolidated financial statements of those entities have accordingly been continued to be prepared on going concern basis.

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

- (i) Competitive advantage of the FTWZ with easily accessible to two most important retail market in NCR- Gurgaon and Delhi to increase utilization.
- (ii) Aligning warehouse and distribution center logistics to support companies in alignment with business strategy and provide a competitive edge in Multi-modal Logistics.
- (iii) ICD operational facility has now entered into long term contract with global shipping majors.
- (iv) The planned long term contract for transportation of Reefer cargo to increase revenue.
- (v) Increasing throughput through collaborative 'Pooling of assets' with other ICD and Private Container Train Operators (PCTO).
- (vi) Increasing interest from various Global customers for integrated solutions including rail transport and FTWZ.

- 42 Loans from various lenders have been assigned by banks to Edelweiss Assets Reconstruction Company Limited (EARC). EARC had restructured the loan and executed the Restructuring Agreement (RA) dated 31st March, 2017. In accordance with RA, EARC has converted part debt into restructured debt, balance assigned loan is to be converted into 3,21,62,304 equity shares and 64,23,329 zero percent optionally convertible redeemable preference shares (OCRPS – Series I) of face value of Rs.10 each at a price of Rs.1,000 each (including premium of Rs.990) of the Company, as per extant SEBI rules and regulations. The EARC has availed the right of conversion of OCRPS into equity.

During the year ended 31st March, 2019:-

- (i) In aggregate 1,38,97,516 equity shares of 2 each on conversion of OCRPS Series I have been allotted to EARC.
- (ii) Pursuant to RA, the Company has allotted 16,00,000 Equity Shares of face value of Rs.2 each to the Promoter upon conversion of equal number of warrants.



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Arshiya Limited**Notes to Consolidated financial statements for the year ended 31st March, 2019**

- 43 The Parent Company is engaged in the business of development, operations and maintenance of Free Trade and Warehousing Zone (FTWZ) and Domestic Warehousing Zone. During the year ended 31st March, 2019, certain portion of Land which was classified under Property, Plant and Equipment (PPE) is now transferred to inventories at their carrying amounts for future developments.

Out of the above land parcels, during the year ended 31st March, 2019 the Parent Company has entered into 2 lease agreements aggregating to 5.50 Acres of land with a wholly owned subsidiary company for development of warehouses at FTWZ, Panvel.

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

- 45 During the year ended 31st March, 2019, the Parent Company has defaulted in payment as per consent terms signed with one of the Non-Banking Financial Company (NBFC). Subsequent to the year end, the said NBFC has assigned its debt to Edelweiss Asset Reconstruction Company (EARC). Pursuant to the said assignment, EARC become the lender and entitled to recover total dues alongwith interest at contractual rates and other charges. The Parent Company doesn't expect any additional liabilities / charges and liabilities accounted in the books of account are adequate.

- 46 A Public Financial Institution (PFI) agreed to settle their outstanding loan constituting principle and interest of Rs. 16,700 Lakh. Settlement terms and conditions involves payment of Rs. 5,000 Lakh which is secured by land at Nagpur and for balance amount of Rs. 11,700 Lakh, allotment of Optionally Convertible Redeemable Preference Shares - V (OCRPS - V), convertible upto 15,80,000 equity shares at the option of the PFI. Considering the same, necessary effect has been given in the books of accounts during the previous year. As per shareholder approval in the EOGM dated 29th January 2018, the Parent Company has approved allotment of 11,70,000 OCRPS - V and the same was converted into 15,80,000 Equity shares on 22nd February, 2018 as per settlement terms agreed. Subsequently in the Honorable High Court of Bombay, the Parent Company has made the representation that post allotment of the equity shares as exercised by the PFI, the total outstanding debt remains at Rs. 5,000 Lakh.

During the year ended 31st March, 2019, the PFI has assigned its debt to the Edelweiss Asset Reconstruction Company (EARC). The Company has provided interest in line with major terms negotiated with EARC, till the finalisation of the restructuring agreement.

- 47 A subsidiary Company i.e. Arshiya Rail Infrastructure Limited had entered into one-time settlement (OTS) with a Bank during the year ended 31st March, 2019 and the effect was taken as an exceptional item during the year ended 31st March, 2019. However, the subsidiary Company has defaulted in payment as per the terms of the OTS. As a result, the subsidiary Company needs to reverse the exceptional gain recorded during the year ended 31st March, 2019 and needs to recognise interest on the entire liability as per the original terms. The subsidiary Company is in discussion with the lender for additional time to repay.

The subsidiary Company has not reversed the gain, nor provided for additional interest. Had the Subsidiary Company reversed the gain and provided for additional interest, exceptional item would have been lower by Rs. 6,604.55 Lakh and finance cost would have been higher by Rs. 3,505.76 Lakh having consequential impact on total comprehensive income for the year ended 31st March, 2019.

- 48 **Cash Seized by Income Tax**

The amount of Rs. 105 Lakh cash seized by the Income Tax department at the time of search on 13th June, 2014 has adjusted the said cash seized against demand of the Parent Company and to be specific against Assessment Year 2014-2015. While there is a demand in Assessment Year 2014-2015, the same is contested and the said demand is reflected in Contingent Liability (Refer note no. 37).

- 49 Scheme of arrangement and amalgamation u/s 230 to 232 and other applicable provisions of the Companies Act, 2013 has been filed before the National Company Law Tribunal (NCLT) between Arshiya Rail Infrastructure Limited, Arshiya Industrial & Distribution Hub Limited and Arshiya Transport & Handling Limited and their respective shareholders. The scheme is conditional on various approval / sanctions and is effective thereafter; accordingly no effect of the said Scheme is given in the consolidated financial statements. The Creditors meeting of the respective companies was held on 6th May 2019. The Scheme(s) shall be given effect after receipt of necessary approvals.

- 50 The Board of Directors of the Parent Company in their meeting held on 24th May, 2018, has approved a scheme to further reorganize its corporate structure spread across various group companies, in order to integrate/consolidate its operations by reorganizing different businesses into two entities subject to various approvals.



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Arshiya Limited

Notes to Consolidated financial statements for the year ended 31st March, 2019

This Scheme is presented under Sections 230 to 232 read with Sections 95 and 52 and other applicable provisions of the Companies Act, 2013 for demerger of "Domestic warehousing business" of the Parent Company into Arshiya Rail Infrastructure Limited. This proposed scheme of arrangement is conditional upon approval of an ongoing scheme of group companies i.e. merger of Arshiya Rail Infrastructure Limited, Arshiya Industrial and Distribution Hub Limited and Arshiya Transport & Handling Limited, which is pending with NCLT. No accounting impact and disclosures is considered and necessary at this stage pending requisite regulatory approvals.

51 Cenvat Credit Receivable:

The Group has been legally advised that post merger of the AIDHL with ARIL, the unutilized cenvat credit of the AIDHL can be utilized for discharging the service tax liability of ARIL.

52 Indirect Tax Refund Receivable

- (i) As per the Notification dated 16th May, 2013 issued by Government of Maharashtra, MVAT exemption/refund is available to SEZ Developer after 15th October, 2011 (record date). However, the Parent Company has claimed refund of Rs.1,684.55 Lakh in respect of transactions prior to record date, as the Parent Company is of the view that the State Government has exempted it from Local taxes, levies and duties on goods required for authorized operations by a Developer vide GR dated 12th October, 2001 passed by Industries, Energy and Labour Department, Government of Maharashtra. The Parent Company has filed an appeal before High Court of Bombay challenging the Constitutional validity of MVAT on various grounds and has claimed refund of Rs. 1,108.80 Lakhs. The Appeal has been admitted, issues are framed and final hearing is pending. Further MVAT refund claim of 575.75 Lakhs is pending with Sales Tax Department as the matter is of similar case. Accordingly, these financial statements reflect a sum of Rs.1,684.55 Lakhs as refund receivable on account of MVAT. In case the refund is not granted, the necessary adjustment entries shall be recorded in the year in which finality is reached.

- (ii) Refunds receivable in respect of VAT, Service Tax, Local Entry Tax and Service Tax for which appeals are pending with respective Appellate Authorities. The Management is of the view that the refunds claimed as above aggregating to Rs. 355.05 Lakh are considered good for recovery on account of refunds being received by other SEZ developers on similar grounds.

The Management is of the view that the refunds claimed as above are considered good for recovery.

- 53 ARIL has procured certain capital goods under EPCG scheme at concessional rate of duty. On non fulfillment of certain conditions, ARIL may become liable to pay differential custom duty along with interest thereon such procurement. The management is hopeful of completing the expected obligation within the stipulated time.

- 54 Corporation Bank has filed a suit with Debt Recovery Tribunal, New Delhi, towards recovery against Arshiya Rail Infrastructure Limited, the Parent Company as a Corporate Guarantor and two Promoter Directors of the Parent Company as Guarantors, for Rs. 5,012.80 lakhs. The same is pending before the DRT Delhi. The matter is sub-judice.

- 55 During the year ended 31st March, 2018, two lenders of a subsidiary i.e. Arshiya Industrial and Distribution Hub Limited ("AIDHL") have assigned their rights, title, and interest in financial assistance granted by them to Edelweiss Assets Reconstruction Company Limited (EARC). Post assignment of loans, EARC has become a secured lender of AIDHL and right, title and interest of the lenders have vested into EARC.

Pursuant to the assignment of such loans, and in terms of the restructuring package approved by EARC for the loans so assigned, the subsidiary has executed Restructuring Agreement (RA) with EARC, on behalf of EARC Trusts on 13th January, 2018 taking the aggregate amount of assigned loans to Rs 20,998 Lakh.

As a result of this restructuring and assignment of debts of lenders the gain earned amounting to Rs 10,368.92 Lakh has been credited to the Consolidated Statement of Profit and Loss for the year ended on 31st March, 2018. This has been disclosed as part of an exceptional item.

- 56 During the year ended 31st March, 2018 a subsidiary i.e. AIDHL has completed one time settlement (OTS) with a lender in respect of the term loan taken. OTS stipulates payment and allotment of Optionally Convertible Redeemable Preference Shares. AIDHL has made a payment of Rs 3,000 Lakh on 18th January, 2018 and issued 1,20,000 OCRPS. Gain of Rs. 7,760.75 Lakh on this OTS has been credited to the Consolidated Statement of Profit & Loss as an exceptional item.

- 57 During the year ended 31st March, 2018 the Parent Company and a subsidiary i.e. Arshiya Northern FTWZ Ltd ("ANFTZ") have divested their entire investment in one of subsidiary namely Mira Supply Chain Management Private Limited (formerly known as Mira Supply Chain Management Private Limited) ("ASCM") on 2nd January 2018 by way of transfer of equity shares to a subsidiary i.e. AIDHL. On 22nd March, 2018, AIDHL has divested its entire shareholding in ASCM. Pursuant to above, Rs.4,314.69 Lakh gain is accounted in consolidated financial statement which has been considered as exceptional item during the year ended 31st March 2018.

- 58 As per provision of sub section 1 of section 203 of Companies Act, 2013 (w.e.f. 1st April, 2014), ANFL is required to appoint a Company Secretary. However, ANFL has not complied with the said requirement and is in the process of identifying a suitable candidate for this role.



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Arshiya Limited

Notes to Consolidated financial statements for the year ended 31st March, 2019

- 59 During the year ended 31st March, 2018, on 20 November 2017, the Parent Company, Interalla, its subsidiaries and promoters had executed Share Purchase Agreement of Ascendas Penvel FTWZ Limited (formerly known as Arshiya Rail Siding and Infrastructure Limited ("APFL", i.e. a step-down subsidiary"SPV")) with Ascendas Property Fund (India) Pte Ltd ("Ascendas") for sale of 100% of its equity holding, having Rs. 5 Lakh paid up equity capital, to Ascendas. This SPV holds the status of a co-developer.

During the year ended 31st March, 2018, the Parent Company, Interalla, its subsidiaries and promoters have executed a Lease Deed on 3rd February 2018, in favour of a SPV of Ascendas Property Fund (India) Pte. Limited ("Ascendas" - part of the Ascendas-Singbridge Group, Singapore) for grant of leasehold rights of six warehouses at FTWZ Penvel, along with underlying land of those warehouses, identified assets and infrastructure facilities on an initial lease term of 30 (thirty) years. The said transaction is for a total consideration of Rs. 53,400 Lakh (or Rupees Five hundred and thirty four crore), with an upfront lease payment/lump sum rent of Rs. 48,400 Lakh (or Rupees Four hundred and thirty four crore). The balance of Rs. 10,000 Lakh (or Rupees One hundred crore) will be received over four years from transaction closing based on certain performance milestones. The transaction also envisages the terms for construction funding by Ascendas for future growth of the Parent Company's business. The Parent Company already possesses the requisite land for the future development.

On transaction closing date of 3rd February 2018, the SPV has acquired long-term leasehold rights from the Parent Company and the same are leased back under an operating lease arrangement pursuant to execution of sub-lease deed dated 3rd February 2018 to Arshiya Lifestyle Limited ("ALL"), a wholly owned subsidiary of the Parent Company, for a sub-lease term of 5 (six) years, renewable as per mutually agreed terms, in consideration of pre-agreed rentals.

Accordingly during the year ended 31st March, 2018 the Parent Company has reduced the value of assets, granted on leasehold rights to APFL, from its fixed assets. The gain on grant of leasehold rights to APFL amounting to Rs. 15,633.29 lakhs has been credited to the statement of profit and loss and is disclosed as an exceptional item.

Based on the above, ALL would operate and manage these six warehouses and pay the lease rentals to APFL as defined in the sub-lease agreement. Hence from 3rd February, 2018 onwards all revenue from these assets will be accounted by ALL. However the Parent Company will recognize the net revenue in terms of a business conducting agreement entered into between the Parent company and ALL.

60 Disclosure pursuant to Indian Accounting Standard (IND AS) 108 – Segment Information

60.1 Primary Segment Information

The Group operates in three primary reportable business segments, i.e. "Free Trade and Warehousing Zone" and "Rail Transport Operations/Inland Container Depot" and "Domestic Warehousing Zone" and one geographical segment i.e. India as per Accounting Standard 108 – "Segment Reporting".

60.2 Segment Revenue, results, assets and liabilities

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

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

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



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Arshiya Limited

Notes to Consolidated financial statements for the year ended 31st March, 2019

60.4 Segmental Information as at and for the year ended 31st March, 2019 is as follows:-

(Rs. in Lakh)

| Particulars | Year Ended 31st March 2019 | Year Ended 31st March 2018 |
|--|-------------------------------|-------------------------------|
| Segment Revenue | | |
| FTWZ | 14,768.88 | 12,233.47 |
| Rail Transport Operations/ICD | 13,750.16 | 13,853.22 |
| Domestic Warehousing | 428.34 | 20.00 |
| Less: Inter Segment | - | - |
| Total Revenue from Operations | 28,937.38 | 25,906.69 |
| Segment Results Before Tax and Interest | | |
| FTWZ | 1,325.17 | 1,006.72 |
| Rail Transport Operations/ICD | (4,867.90) | (4,289.19) |
| Domestic Warehousing | (1,106.05) | (1,458.01) |
| Total Segment Result | (4,348.78) | (4,740.48) |
| Less: Unallocated Expenses net of Income | 9.74 | 2.80 |
| Less: Finance Costs | 27,550.39 | 31,598.39 |
| Less: Exceptional Items (Net) | (5,167.04) | (39,473.20) |
| Loss before tax | (26,780.87) | 3,131.53 |
| Less: Tax Expenses | 6.58 | 27.42 |
| Loss after tax | (26,787.85) | 3,104.11 |
| Segment Assets | | |
| FTWZ | 1,81,888.62 | 1,85,866.32 |
| Rail Transport Operations/ICD | 73,038.42 | 77,717.22 |
| Domestic Warehousing | 48,582.63 | 48,582.04 |
| Unallocated | 2,092.84 | 2,199.05 |
| Total | 3,05,700.71 | 3,15,624.63 |
| Segment Liabilities | | |
| FTWZ | 11,881.34 | 13,287.06 |
| Rail Transport Operations/ICD | 7,746.04 | 7,581.09 |
| Domestic Warehousing | 120.38 | 3.60 |
| Unallocated | 2,31,848.11 | 2,22,751.84 |
| Total | 2,51,795.87 | 2,43,693.62 |
| Other Disclosures | | |
| Capital Expenditure | | |
| FTWZ | 3,256.96 | 5,844.51 |
| Rail Transport Operations/ICD | 274.28 | 883.56 |
| Domestic Warehousing | 13.45 | - |
| Unallocated | - | - |
| Total | 3,544.71 | 6,828.07 |
| Depreciation and amortisation expenses | | |
| FTWZ | 3,094.37 | 3,694.97 |
| Rail Transport Operations/ICD | 4,913.85 | 4,998.78 |
| Domestic Warehousing | 1,411.34 | 1,478.01 |
| Unallocated | - | - |
| Total | 9,419.56 | 10,171.76 |
| Non-cash Expenditure | | |
| FTWZ | 300.09 | 85.29 |
| Rail Transport Operations/ICD | 24.71 | 101.58 |
| Domestic Warehousing | - | - |
| Unallocated | - | - |
| Total | 324.80 | 186.87 |



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Arshiya Limited

Notes to Consolidated financial statements for the year ended 31st March, 2019

91 Related party disclosures, as required by Indian Accounting Standard 24 "Related Party Disclosures" (IND AS-24) as given below:

(i) Person having significant influence over the Parent Company

Mr. Ajay S. Mittal – Chairman and Managing Director
Mrs. Archana A. Mittal – Joint Managing Director

(ii) Key management personnel

Mr. Ashish Bhatnagar - Independent Director
Mr. Mukesh Kacker - Independent Director
Prof. G. Raghuram - Independent Director (till 15th May, 2017)
Mr. Rishabh Shah - Independent Director
Mr. Tara Sankar Bhattacharya - Independent Director (w.e.f. 24th May, 2018)
Ms. Savita Datta - Company Secretary of Arshiya Limited
Mr. Sanjay Sukhram Lakhani - Company Secretary of Arshiya Industrial & Distribution Hub Limited (till 7th February, 2019)
Ms. Avani Dipakkumar Lakhani - Company Secretary of Arshiya Rail Infrastructure Limited (w.e.f. 26th March, 2019)
Mr. S. Maheshwari - Chief Financial Officer of Arshiya Limited (w.e.f. 8th February, 2017) and Group President
Mr. Navrit Choudhary - Chief Financial Officer of Arshiya Northern FTWZ Limited (w.e.f. 8th February, 2017)
Mr. Dinesh Kumar Sodani - Chief Financial Officer of Arshiya Rail Infrastructure Limited (w.e.f. 8th February, 2017 to 12th January, 2018)
Mr. Mukesh Khathuria - Chief Financial Officer of Arshiya Industrial & Distribution Hub Limited (w.e.f. 8th February, 2017 to 31st March, 2018)
Mr. Dinesh Kumar Sodani - Chief Financial Officer of Arshiya Industrial & Distribution Hub Limited (w.e.f. March 26, 2019)
Mr. Vinod Jain - Chief Financial Officer of Arshiya Rail Infrastructure Limited (till 25th March, 2019)
Mr. Amardeep Gupta - Chief Financial Officer of Arshiya Rail Infrastructure Limited (w.e.f. 26th March, 2019)
Mr. Siddarth Kasturia - Chief Executive Officer of Arshiya Rail Infrastructure Limited (w.e.f. 26th March, 2019)
Mr. Amit Gupta - Chief Executive Officer of Arshiya Industrial & Distribution Hub Limited (w.e.f. March 26, 2019)

(iii) Relative of Person having significant influence over the Parent Company

Mr. Ananya Mittal – Corporate Strategy Officer

(iv) Enterprise owned or significantly influenced by key management personnel or their relatives

Rudradev Properties Private Limited
Mega Management Services Private Limited
Waldone Software Consultancy Private Limited
Novel FTWZ Limited (formerly known as Arshiya Central FTWZ Limited)

The nature and amount of transactions with the above related parties are as follows:

| Nature of transaction | | (Rs. in Lacs) | |
|---|------------------------------|----------------------------|----------------------------|
| Amount of the Party | | Year Ended 31st March 2018 | Year Ended 31st March 2019 |
| Remuneration paid to Key Managerial Person and Relative of Person having significant influence over the Group | Mr. Ananya Mittal | 20.08 | 20.08 |
| | Mr. S. Maheshwari | 200.08 | 185.15 |
| | Ms. Savita Datta | 16.61 | - |
| | Ms. Avani Dipakkumar Lakhani | 0.10 | - |
| | Mr. Amardeep Gupta | 0.36 | - |
| | Mr. Vinod Jain | 20.48 | - |
| | Mr. Siddarth Kasturia | 0.95 | - |
| Director sitting fees | Mr. Ashish Kumar Bhatnagar | 1.15 | 2.00 |
| | Mr. Mukesh Kacker | 0.40 | 1.90 |
| | Prof. G. Raghuram | - | 0.20 |
| | Mr. Rishabh Shah | 0.40 | 1.75 |
| | Mr. T. S. Bhattacharya | 0.70 | - |
| Interest income | Novel FTWZ Limited | 0.12 | - |



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Anshiya Limited
Notes to Consolidated financial statements for the year ended 31st March, 2019

| | | | |
|--|---|----------|----------|
| Loans and Advances taken | Mr. Ajay S Mittal | 753.46 | 3,064.09 |
| | Mrs. Archana A Mittal | 1,116.14 | 4,280.42 |
| Loans given | Naval FTWZ Limited | 325.00 | - |
| Loans and Advances taken repaid/adjusted | Mr. Ajay S Mittal | 1,153.32 | 2,594.62 |
| | Mrs. Archana A Mittal | 2,526.94 | 2,880.31 |
| | Rudradev Properties Private Limited | - | 1.00 |
| | Mega Management Services Private Limited | - | 13.32 |
| | Vividone Software Consultancy Private Limited | - | 0.19 |
| Investments purchased from | Mrs. Archana A Mittal | - | 0.49 |
| Issue of Equity Shares and Warrants | Mr. Ajay S Mittal | | |
| | Equity Share | - | 5,835.00 |
| | Share Warrants | - | 5,820.00 |
| | Mr. S. Maheshwari | | |
| | Equity Share | - | 583.50 |
| Share Warrants converted into Equity | Mr. Ajay S Mittal | 860.25 | 4,959.75 |

Closing balances
(Rs. in Lakh)

| Nature | Related Party | As at 31st March, 2019 | As at 31st March, 2018 |
|---|-------------------------------------|---------------------------|------------------------------|
| Loans and Advances taken | Mr. Ajay S Mittal | 1,116.14 | 469.70 |
| | Mrs. Archana A Mittal | 55.22 | 1,488.01 |
| | Rudradev Properties Private Limited | - | 1.00 |
| Loan given | Naval FTWZ Limited | 325.12 | - |
| Share warrants | Mr. Ajay S Mittal | - | 860.25 |
| Equity Shares (excluding share premium) | Mr. S. Maheshwari | 20.00 | 20.00 |
| Personal guarantees taken | Mr. Ajay S Mittal | 3,24,812.00 | 3,11,657.00 |
| | Mrs. Archana A Mittal | 3,24,262.00 | 3,11,262.00 |



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Arshiya Limited
Notes to Consolidated financial statements for the year ended 31st March, 2019
62 Earnings per share:

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|-------------------------------|-------------------------------|
| Profit/(Loss) for the year (Rs. in Lakh) | (26,757.85) | 3,194.11 |
| Add: Interest adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS) | - | 948.32 |
| Total Profit/(Loss) for the year for diluted EPS (Rs. in Lakh) | (26,757.85) | 4,030.43 |
| Number of equity shares | | |
| Weighted average number of equity shares (Number) | 23,80,15,279 | 18,31,20,902 |
| Add: Adjustment on account of Share Warrants | - | 5,91,781 |
| Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS) | - | 54,82,696 |
| Total Weighted average number of equity shares/shares warrants/OCRPS | 23,80,15,279 | 18,91,95,338 |
| Nominal value per share (Amount in Rs.) | 2.00 | 2.00 |
| Earnings per share – Basic and Diluted (Amount in Rs.) | (11.24) | 1.70 |

0% OCRPS and share warrants had an anti diluting effect on earning per share hence have not been consider for the purpose of computing dilutive earning per share during the previous year.

63 Taxation

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

- 63.2** Unused tax losses for which no deferred tax assets has been recognised

| (Rs. in Lakh) | | | |
|-----------------|--------------------|-------------------------|--------------------------------|
| Assessment Year | Business Loss | Unabsorbed Depreciation | Available for utilization till |
| 2012-2013 | 544.34 | 2,073.04 | A.Y. 2020-2021 |
| 2013-2014 | 1.11 | 5,419.06 | A.Y. 2021-2022 |
| 2014-2015 | 19,848.86 | 17,342.15 | A.Y. 2022-2023 |
| 2015-2016 | 1,144.94 | 18,231.03 | A.Y. 2023-2024 |
| 2016-2017 | 2,414.75 | 14,589.27 | A.Y. 2024-2025 |
| 2017-2018 | 83,302.00 | 14,097.35 | A.Y. 2025-2026 |
| 2018-2019 | 16,974.67 | 5,958.48 | A.Y. 2026-2027 |
| 2019-2020 | 1,805.52 | 6,537.27 | A.Y. 2027-2028 |
| Total | 1,29,939.21 | 84,257.85 | |

| Assessment Year | Long term Capital Loss | Available for utilization till |
|-----------------|------------------------|--------------------------------|
| 2016-2017 | 1,658.88 | A.Y. 2024-2025 |
| Total | 1,658.88 | |

Deferred tax assets as at 31st March, 2019 Rs.27,429.06 Lakh (31st March, 2018 - Rs. 45,714.08 Lakh) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilized by the Group. Details of deferred tax assets are mentioned below:

| (Rs. in Lakh) | | |
|---|---------------------------|---------------------------|
| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
| Property, plant and equipment | 16,991.77 | 17,129.21 |
| Unabsorbed depreciation | (21,906.29) | (17,225.95) |
| Expenses allowable on payments under section 43B and 40 (a) (a) | (6,087.89) | (12,538.11) |
| Unabsorbed losses | (33,047.07) | (35,844.25) |
| Financial Instruments | 16,622.42 | (2,234.98) |
| Total Deferred tax assets | (27,429.06) | (45,714.08) |

64 Financial Risk Management

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

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



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Arshiya Limited

Notes to Consolidated financial statements for the year ended 31st March, 2019

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

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

(a) Credit Risk

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

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

(b) Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations without incurring unacceptable losses. The Group's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group limits its liquidity risk by ensuring regular monitoring of funds from trade and other receivables. The Group relies on assets light business model through monetization of assets and set-up of construction funding and operating cash flows to meet its needs for funds.

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

Contractual maturities of financial liabilities

(Rs. in Lakhs)

| Particulars | less than 1 year | 1 to 5 years | More than 5 year |
|--|--------------------|--------------------|------------------|
| 31st March, 2019 | | | |
| Financial liabilities | | | |
| Borrowings | 58,154.61 | 1,29,473.26 | - |
| OCRPS (Equity and Liability Component) | - | 1,200.00 | - |
| Trade payables | 2,570.26 | - | - |
| Creditors for Capital Goods | 7,228.05 | - | - |
| Financial guarantee obligations | 10.55 | - | - |
| Other financial liabilities | 51,993.13 | 512.11 | - |
| Total | 1,17,965.60 | 1,28,285.37 | - |
| 31st March, 2018 | | | |
| Financial liabilities | | | |
| Borrowings | 50,179.36 | 1,31,491.71 | - |
| OCRPS (Equity and Liability Component) | - | - | 58,846.19 |
| Trade payables | 1,797.79 | - | - |
| Creditors for Capital Goods | 6,422.54 | - | - |
| Financial guarantee obligations | - | 224.03 | - |
| Other financial liabilities | 35,105.55 | 2,078.75 | - |
| Total | 95,505.26 | 1,33,792.47 | 58,846.19 |

(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.



Arshiya Limited
Notes to Consolidated financial statements for the year ended 31st March, 2019

1 Foreign currency risk

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

1.1 Foreign currency risk exposure

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

| Particulars | Financial Year Ended | Foreign currency amount | Equivalent amount in INR |
|--|----------------------|-------------------------|--------------------------|
| | | (Amount in Lakh) | (Rs. in Lakh) |
| Bank balances | | | |
| USD | 31st March, 2019 | - | - |
| | 31st March, 2018 | 0.13 | 8.56 |
| Trade receivables | | | |
| USD | 31st March, 2019 | 46.09 | 3,207.35 |
| | 31st March, 2018 | 29.62 | 1,903.03 |
| QAR | 31st March, 2019 | - | - |
| | 31st March, 2018 | 0.04 | 0.79 |
| EUR | 31st March, 2019 | 0.41 | 28.39 |
| | 31st March, 2018 | 0.47 | 36.65 |
| Security Deposit from customers | | | |
| USD | 31st March, 2019 | 6.20 | 426.85 |
| | 31st March, 2018 | 5.61 | 360.71 |
| EUR | 31st March, 2019 | 0.02 | 1.35 |
| | 31st March, 2018 | 0.03 | 2.72 |
| AED | 31st March, 2019 | 0.35 | 6.60 |
| | 31st March, 2018 | - | - |
| Advance from customers | | | |
| USD | 31st March, 2019 | 0.35 | 26.45 |
| | 31st March, 2018 | 0.53 | 34.01 |
| EUR | 31st March, 2019 | 0.0003 | 0.02 |
| | 31st March, 2018 | - | - |

1.2 Sensitivity

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

| Particulars | (Rs. in Lakh) | |
|--|--|------------------|
| | Increase/(decrease) in profit before tax | |
| | 31st March, 2019 | 31st March, 2018 |
| FX rate - increase by 1% on closing rate of reporting date | 27.79 | 15.52 |
| FX rate - (decrease) by 1% on closing rate of reporting date | (27.79) | (15.52) |

The above amounts have been disclosed based on the accounting policy for exchange differences.

2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the Group's borrowings is fixed rate borrowings carried at amortised cost, therefore not subject to interest rate risk as defined in IND AS - 107, since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Group's interest rate risk arises from long term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's borrowings at the variable rate were mainly denominated in Rupees.

2.1 Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

| Particulars | (Rs. in Lakh) | |
|-------------------------|------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Variable rate borrowing | 20,750.82 | 22,700.40 |

2.2 Sensitivity of interest

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

| Particulars | (Rs. in Lakh) | |
|--|--|------------------|
| | Increase/(decrease) in profit before tax | |
| | 31st March, 2019 | 31st March, 2018 |
| 50 bps increase the profit before tax by | (103.75) | (113.95) |
| 50 bps decrease the profit before tax by | 103.75 | 113.95 |



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

65 Fair Value Measurements
(i) Financial Instruments by Category

(Rs. in Lakh)

| Particulars | Carrying Amount | | Fair Value | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31st March, 2019 | 31st March, 2018 | 31st March, 2019 | 31st March, 2018 |
| Financial Assets | | | | |
| Amortised cost | | | | |
| Trade Receivables | 4,286.17 | 2,742.67 | 4,286.17 | 2,742.67 |
| Cash and Cash Equivalents | 990.50 | 1,285.84 | 990.50 | 1,285.84 |
| Other Bank Balances | 401.38 | 488.54 | 401.38 | 488.54 |
| Loan | 325.12 | - | 325.12 | - |
| Security Deposits | 5,041.28 | 11,151.10 | 5,041.28 | 11,151.10 |
| Other Financial Assets | 5,625.39 | 3,385.69 | 5,625.39 | 3,385.69 |
| Total | 16,649.89 | 19,063.93 | 16,649.89 | 19,063.93 |
| Financial Liabilities | | | | |
| Amortised cost | | | | |
| Borrowings | 1,82,307.29 | 1,90,215.83 | 1,82,307.29 | 1,90,215.83 |
| Trade Payables | 2,579.26 | 1,797.79 | 2,579.26 | 1,797.79 |
| Creditors for Capital Goods | 7,228.05 | 8,422.54 | 7,228.05 | 8,422.54 |
| Security Deposits | 1,288.53 | 1,288.53 | 1,288.53 | 1,288.53 |
| Other financial liabilities | 51,327.26 | 36,109.78 | 51,327.26 | 36,109.78 |
| Total | 2,44,730.39 | 2,37,842.47 | 2,44,730.39 | 2,37,842.47 |

(ii) Fair Valuation techniques used to determine fair value

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

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

- The Group assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- The fair values for security deposits and other financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(iii) Fair value hierarchy

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

- Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices.
- Level 2** - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- 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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Arshiya Limited

Notes to Consolidated financial statements for the year ended 31st March, 2019

65 Capital Management

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares (if permitted). The Group monitors capital using a gearing ratio, which is debt divided by total equity.

As stated in Notes to accounts, the Group is also having scheme of arrangements to reorganize the capital structure.

| Particulars | (Rs. in Lakh) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Total Debts | 2,31,910.03 | 2,22,733.08 |
| Total Equity | 50,485.75 | 71,501.92 |
| Total debt to equity ratio (Gearing ratio) | 4.34 | 3.12 |

Notes:-

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

Debt Covenants

Under the terms of Restructuring Agreement (RA), the Group is required to comply with following financial covenants:

Without prior approval of lender, the Group shall not:

- (i) **Loans, debenture & charge** - issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantee.
(ii) **Dividend on equity shares** - declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA.

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

The Parent Company has not proposed any dividend in last three year in view of losses incurred.

67 Revenue from contracts with customers (IND AS 115)

- (a) The Group disaggregates revenue from contracts with customers by type of products and services, geography and timing of revenue recognition.

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

Revenue disaggregation by geography is as follows:

| Geography | (Rs. in Lakhs) | |
|---------------|--------------------------------|--------------------------------|
| | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
| India | 26,818.71 | 25,868.68 |
| Outside India | 18.67 | 38.00 |
| Total | 26,837.38 | 25,906.68 |

Revenue disaggregation by timing of revenue recognition is as follows:

| Geography | (Rs. in Lakhs) | |
|--------------------------------|--------------------------------|--------------------------------|
| | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
| Services transferred over time | 26,837.38 | 25,906.68 |
| Total | 26,837.38 | 25,906.68 |

Transaction Price allocated to remaining performance obligations:

The aggregate amount of the transaction price allocated to the performance obligations that are to be satisfied as of 31st March, 2019 amounts to Rs. 7,108.59 Lakh as per Lease deed. The remaining performance obligation are affected by several factors including Parcel storage revenue, cash flow cover, collections within 90 days or mutually agreed. The management of the Parent Company expects that 35% of the unstated performance obligation will be recognised as revenue during the next reporting period amounting to Rs. 2,500.00 Lakh with balance in future two reporting periods thereafter.



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Arshiya Limited**Notes to Consolidated Financial statements for the year ended 31st March, 2019****(b) Transitional Provision - IND AS 115 - Revenue from Contracts with Customer**

The Ministry of Corporate Affairs (MCA) on 28th March, 2018 notified Ind AS 115 "Revenue from contracts with customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018 and the same is effective for accounting period beginning on or after 1st April, 2018. The Group has applied modified retrospective approach in adopting the new standard and accordingly, the revenue from operations for the year ended 31st March, 2019 is not comparable with the previous year. As a result of change in accounting policies, adjustments to the transition provision has been made in respective item as at 1st April, 2018 with corresponding impact to equity. Details of changes made in item along with equity have given in below table.

| Particulars | Rs. in Lakh |
|---------------------------------------|-------------|
| Other Financial assets | |
| Unbilled Revenue | 390.41 |
| Net impact on other equity (Increase) | 390.41 |

- 68 The Group's borrowings have been assigned by bankers to an ARC / restructured with banks under GDR Package and restructured with NBFC. Certain lenders had invoked the GDR package. The ARC / GDR Lenders and NBFC have charged penal interest/ additional interest/ interest amounting to Rs. 2,598.23 lakh upto the year ended March 31, 2018, which was not accepted by the Group and hence is under negotiation. In light of audit qualifications in previous year as a matter of prudence, the Group has recognised the said interest/penal interest and has accordingly restated the finance cost and other consequential impacts in the year ended March 31, 2018.

Above amount include additional interest amounting to Rs. 655.88 lakhs which is pertaining to period upto 31st March, 2017. Therefore this is adjusted in retained earning as on 1st April, 2017. Due to this reported figure of opening other Equity was Rs. 28,977.10 lakh and now restated figure of opening other Equity is Rs. 28,321.30 lakhs.

Further, during the year ended March 31, 2018 reported figure of finance cost, other Equity and Interest accrued and due on borrowings was Rs. 29,665.08 lakh, Rs. 69,148.40 lakh and Rs. 25,348.69 lakh respectively. Restated figures of finance cost, other equity and Interest accrued and due on Borrowings are Rs.31,598.39 lakh, Rs. 66,937.58 lakh and Rs.27,947.62 lakh respectively. Earning Per Share (EPS) also recalculated based on the restated figures.



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

69 Information required for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013

| S. No. | Name of the subsidiary | FY 2018-19 | | | | | |
|--------|---|-----------------------------------|---------------|---|-------------|---|-------------|
| | | Total Equity | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | | As % of Consolidated Total Equity | Rs. in Lakh | As % of Consolidated Other Comprehensive Income | Rs. in Lakh | As % of Consolidated Total Comprehensive Income | Rs. in Lakh |
| 1 | Parent Subsidiaries Indian: | | | | | | |
| 1 | Arshiya Limited | 320.80% | 1,71,515.57 | (28.35%) | 8.11 | 13.10% | (3,508.38) |
| 2 | Arshiya Rail Infrastructure Limited | (26.11%) | (13,958.69) | 85.37% | (24.39) | 15.62% | (4,183.51) |
| 3 | Arshiya Northern F&WZ Limited | 36.33% | 19,434.06 | 25.94% | (7.41) | 29.73% | (7,962.93) |
| 4 | Arshiya Industrial & Distribution Hub Limited | 27.12% | 14,488.06 | 5.95% | (1.70) | 23.65% | (6,334.79) |
| 5 | Arshiya Transport and Handling Limited | (2.01%) | (1,074.59) | - | - | 0.43% | (114.85) |
| 6 | Arshiya Technologies (India) Private Limited | (0.01%) | (3.70) | - | - | 0.00% | (0.82) |
| 7 | Arshiya Lifestyle Limited | 3.74% | 2,001.61 | 1.23% | (0.35) | (0.10%) | 26.51 |
| 8 | Arshiya Logistics Services Limited (formerly known as Laxmpati Balaji Exim Trading Limited) | (0.14%) | (73.91) | 9.91% | (2.83) | 0.42% | (111.70) |
| 9 | Anomalous Infra Private Limited | 1.74% | 931.89 | - | - | 0.64% | (171.24) |
| 10 | Arshiya Northern Projects Private Limited | (0.00%) | (1.03) | - | - | 0.02% | (5.03) |
| 11 | Arshiya Infrastructure Developers Private Limited | 0.00% | 0.74 | - | - | 0.00% | (0.26) |
| 12 | Laxmpati Balaji Supply Chain Management Private Limited | 0.01% | 4.53 | - | - | 0.00% | (0.47) |
| 13 | Unvalled Infrastructure Private Limited | 0.00% | 0.74 | - | - | 0.00% | (0.26) |
| | Stepdown Subsidiary: | | | | | | |
| | Held through Arshiya Logistics Services Limited | | | | | | |
| 1 | Arshiya 3PL Services Private Limited | 0.01% | 4.03 | - | - | 0.00% | (0.97) |
| | Consolidation Adjustments/Eliminations* | (261.48%) | (1,39,803.26) | - | - | 16.49% | (4,416.72) |
| | Total | 100.00% | 53,485.75 | 100.00% | (28.37) | 100.00% | (26,786.42) |



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Arshiya Limited

Notes to the Consolidated financial statements for the year ended 31st March, 2019

| S. No. | Name of the subsidiary | FY 2017-18 | | | | | |
|--------|---|-----------------------------------|------------------|---|-------------|---|-----------------|
| | | Total Equity | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | | As % of Consolidated Total Equity | Rs. in Lakh | As % of Consolidated Other Comprehensive Income | Rs. in Lakh | As % of Consolidated Total Comprehensive Income | Rs. in Lakh |
| 1 | Parent Subsidiaries Indian: | | | | | | |
| 1 | Arshiya Limited | 230.64% | 1,64,914.64 | (27.52%) | (2.69) | 125.81% | 3,882.97 |
| 2 | Arshiya Rail Infrastructure Limited | (13.76%) | (9,835.18) | 74.35% | 7.19 | (347.03%) | (10,738.56) |
| 3 | Arshiya Northern FTWZ Limited | 38.30% | 27,386.99 | (59.79%) | (9.65) | (301.00%) | (8,316.94) |
| 4 | Arshiya Industrial & Distribution Hub Limited | 29.14% | 20,832.84 | 1.45% | 0.14 | 33.30% | 1,030.57 |
| 5 | Arshiya Transport and Handling Limited | (1.34%) | (859.74) | - | - | (3.34%) | (103.33) |
| 6 | Arshiya Technologies (India) Private Limited | (0.00%) | (2.88) | - | - | (0.05%) | (1.65) |
| 7 | Arshiya Lifestyle Limited | 2.51% | 1,788.21 | - | - | (0.72%) | (22.38) |
| 8 | Arshiya Logistics Services Limited (formerly known as Leamport Balaji Exim Trading Limited) | 0.05% | 37.79 | 179.11% | 17.32 | (3.18%) | (98.54) |
| 9 | Mira Supply Chain Management Private Limited (formerly known as Arshiya Supply Chain Management Private Limited) (up to 21st March, 2018) | - | - | (27.30%) | (2.64) | (51.47%) | (1,582.76) |
| | Stepdown Subsidiary: | | | | | | |
| | Held through Arshiya Rail Infrastructure Limited | | | | | | |
| 10 | Ascendas Panvel FTWZ Limited (formerly known as Arshiya Rail Siding and Infrastructure Limited) (up to 3rd February, 2018) | - | - | - | - | 0.06% | 1.79 |
| | Consolidation Adjustments/Eliminations* | (185.55%) | (1,32,670.75) | - | - | 647.72% | 20,043.27 |
| | Total | 100.00% | 71,501.92 | 100.00% | 9.67 | 100.00% | 3,094.44 |

* The above figures for the Parent Company and subsidiaries are presented before intercompany eliminations and consolidation adjustments in order to conform to the respective financial statements of the Parent Company and Subsidiaries.



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Arshiya Limited

Notes to Consolidated financial statements for the year ended 31st March, 2019

70. The Group has sent request letters/ emails to various Parties for confirmations of balances under borrowings, trade receivables and capital advances given to vendors and trade payables etc., to which only few parties have responded. Accordingly, impact of adjustment, if any, will be accounted as and when the same is determinable or accounts are reconciled/settled.
71. Previous year's figures have been regrouped / related / rearranged whenever necessary.

Signatures to Notes forming part of Financial Statements

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

Vijay Napewalia
Partner
Membership Number: 109859



Place: Mumbai
Date: 27th May, 2019

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Ashish Kumar Bhatnagar
Independent Director
DIN: 00049591

Smita Dalal
Company Secretary

Archana A Mittal
Joint Managing Director
DIN: 00703208

S. Maheshwari
Chief Financial Officer
and Group President

Dinesh Kumar Sodani
VP - Accounts & Finance



Anshiya Limited

Statement containing the salient features of the financial statements of subsidiaries / associated companies / joint ventures
Pursuant to first proviso to sub-section (2) of section 126 of the Companies Act, 2013, read with sub 5 of the Companies (Accounts) Rules, 2014 - AOC-2

| S.No. | Name of the subsidiary | Financial Period ended | Currency | Equity | Other Equity | Total assets | Total liabilities excluding equity and other equity | Investments | Turnover | Profit / Loss (after tax) | Provision for bad debts | Particulars of other income | Particulars of other expenses | Particulars of other income | Particulars of other expenses | % of Shareholding |
|-------|--|------------------------|----------|----------|--------------|--------------|---|-------------|----------|---------------------------|-------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-------------------|
| 1 | Anshiya Industries & Enterprises Pvt. Ltd. | 31st March, 2019 | INR | 1,723.72 | 13,293.45 | 67,814.02 | 62,847.07 | - | 1,102.12 | 6,123.99 | - | - | 6,123.99 | - | 6,123.99 | 100% |
| 2 | Anshiya Industries Pvt. Ltd. | 31st March, 2019 | INR | 1,723.72 | 13,293.45 | 67,814.02 | 62,847.07 | - | 1,102.12 | 6,123.99 | - | - | 6,123.99 | - | 6,123.99 | 100% |
| 3 | Anshiya Industries Pvt. Ltd. | 31st March, 2019 | INR | 1,723.72 | 13,293.45 | 67,814.02 | 62,847.07 | - | 1,102.12 | 6,123.99 | - | - | 6,123.99 | - | 6,123.99 | 100% |
| 4 | Anshiya Industries Pvt. Ltd. | 31st March, 2019 | INR | 1,723.72 | 13,293.45 | 67,814.02 | 62,847.07 | - | 1,102.12 | 6,123.99 | - | - | 6,123.99 | - | 6,123.99 | 100% |
| 5 | Anshiya Industries Pvt. Ltd. | 31st March, 2019 | INR | 1,723.72 | 13,293.45 | 67,814.02 | 62,847.07 | - | 1,102.12 | 6,123.99 | - | - | 6,123.99 | - | 6,123.99 | 100% |
| 6 | Anshiya Industries Pvt. Ltd. | 31st March, 2019 | INR | 1,723.72 | 13,293.45 | 67,814.02 | 62,847.07 | - | 1,102.12 | 6,123.99 | - | - | 6,123.99 | - | 6,123.99 | 100% |
| 7 | Anshiya Industries Pvt. Ltd. | 31st March, 2019 | INR | 1,723.72 | 13,293.45 | 67,814.02 | 62,847.07 | - | 1,102.12 | 6,123.99 | - | - | 6,123.99 | - | 6,123.99 | 100% |
| 8 | Anshiya Industries Pvt. Ltd. | 31st March, 2019 | INR | 1,723.72 | 13,293.45 | 67,814.02 | 62,847.07 | - | 1,102.12 | 6,123.99 | - | - | 6,123.99 | - | 6,123.99 | 100% |
| 9 | Anshiya Industries Pvt. Ltd. | 31st March, 2019 | INR | 1,723.72 | 13,293.45 | 67,814.02 | 62,847.07 | - | 1,102.12 | 6,123.99 | - | - | 6,123.99 | - | 6,123.99 | 100% |
| 10 | Anshiya Industries Pvt. Ltd. | 31st March, 2019 | INR | 1,723.72 | 13,293.45 | 67,814.02 | 62,847.07 | - | 1,102.12 | 6,123.99 | - | - | 6,123.99 | - | 6,123.99 | 100% |
| 11 | Anshiya Industries Pvt. Ltd. | 31st March, 2019 | INR | 1,723.72 | 13,293.45 | 67,814.02 | 62,847.07 | - | 1,102.12 | 6,123.99 | - | - | 6,123.99 | - | 6,123.99 | 100% |
| 12 | Anshiya Industries Pvt. Ltd. | 31st March, 2019 | INR | 1,723.72 | 13,293.45 | 67,814.02 | 62,847.07 | - | 1,102.12 | 6,123.99 | - | - | 6,123.99 | - | 6,123.99 | 100% |
| 13 | Anshiya Industries Pvt. Ltd. | 31st March, 2019 | INR | 1,723.72 | 13,293.45 | 67,814.02 | 62,847.07 | - | 1,102.12 | 6,123.99 | - | - | 6,123.99 | - | 6,123.99 | 100% |

(17) % of Shareholding including beneficial interest/ voting power (either directly/indirectly or through subsidiaries)
(27) 100% held through Anshiya Logistics Services Limited (Formerly known as Laxmiport Sales Equip Trading Limited)

Per and on behalf of the Board of Directors of Anshiya Limited

Signature
Ajay S. Mittal
Chairman and Managing Director
DIN: 00210255

Signature
Anshu A. Mittal
Joint Managing Director
DIN: 00103204

Signature
Rajesh Kumar Sharma
Independent Director
DIN: 00042521

Signature
S. Maheshwari
Chief Financial Officer
and Group President

Signature
Savitri Datta
Company Secretary

Signature
Dishant Kumar Sodani
VP - Accounts & Finance



Place: Mumbai
Date: 27th May, 2019

ARSHIYA RAIL INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

ANNEXURE-I-II

| (Rupees in lakhs) | | | |
|--|----|--------------------|-------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 5 | 44,322.37 | 47,856.82 |
| (c) Intangible Assets | 6 | 2,825.28 | 3,223.16 |
| (d) Financial Assets | | | |
| (i) Other Financial Assets | 7 | 663.64 | 818.60 |
| (e) Other Non-Current Assets | 8 | 1,335.26 | 1,227.72 |
| | | 49,146.55 | 53,126.30 |
| Current assets | | | |
| (a) Inventories | 9 | - | 15.66 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 10 | 1,323.33 | 666.59 |
| (ii) Cash and Cash Equivalents | 11 | 120.24 | 375.35 |
| (iii) Bank Balances Other than (ii) above | 12 | 267.30 | 386.16 |
| (iv) Other Financial Assets | 13 | 322.37 | 348.59 |
| (c) Other Current Assets | 14 | 133.81 | 308.46 |
| | | 2,167.05 | 2,100.81 |
| TOTAL ASSETS | | 51,313.60 | 55,227.11 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 15 | 4,238.44 | 4,238.44 |
| (b) Other Equity | 16 | (18,197.13) | (14,073.62) |
| | | (13,958.69) | (9,835.18) |
| Liabilities | | | |
| Non Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17 | 31,902.67 | 33,538.04 |
| (b) Provisions | 18 | 120.52 | 16.42 |
| (c) Other Non-Current Liabilities | 19 | 1,632.32 | 1,723.69 |
| | | 33,655.51 | 35,278.15 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 20 | 304.38 | 2,029.26 |
| (ii) Trade Payables | 21 | | |
| (A) Total outstanding dues of Micro and Small Enterprises | | 15.77 | 5.24 |
| (B) Total outstanding dues of creditors Other than Micro and Small Enterprises | | 1,307.44 | 620.88 |
| (iii) Other Financial Liabilities | 22 | 28,103.68 | 25,206.84 |
| (b) Other Current Liabilities | 23 | 1,874.90 | 1,918.23 |
| (c) Provisions | 24 | 10.61 | 3.69 |
| | | 31,616.78 | 29,784.14 |
| TOTAL EQUITY & LIABILITIES | | 51,313.60 | 55,227.11 |

Notes to the financial statements

1-57

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner

Membership Number. 109859



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

Ajay S Mittal
Director
DIN : 00226355

Amarendra Gupta
Chief Financial Officer



Navnit Choudhary
Director
DIN : 00613576

Avani Dipakkumar Lakhani
Company Secretary

Place : Mumbai
Date : May 27, 2019

ARSHIYA RAIL INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rupees in lakhs)

| INCOME | | | |
|---|----|--------------------|--------------------|
| Revenue from operations | 25 | 13,614.83 | 13,598.32 |
| Other income | 26 | 641.87 | 1,459.39 |
| Total Income (I) | | 14,256.70 | 15,057.71 |
| EXPENSES | | | |
| Cost of operations | 27 | 11,400.27 | 11,507.38 |
| Employee benefits expenses | 28 | 1,121.91 | 826.79 |
| Finance costs | 29 | 7,015.57 | 8,018.94 |
| Depreciation and amortization expenses | 30 | 4,099.64 | 4,130.61 |
| Other expenses | 31 | 1,253.59 | 895.48 |
| Total Expenses (II) | | 24,890.98 | 25,379.20 |
| Loss before exceptional items and tax (I-II) | | (10,634.28) | (10,321.49) |
| Exceptional items (Net) | 32 | (6,475.16) | 424.26 |
| Loss before tax | | (4,159.12) | (10,745.75) |
| Tax expense: | 45 | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| Loss for the year | | (4,159.12) | (10,745.75) |
| OTHER COMPREHENSIVE INCOME (OCI) | | | |
| Item not to be reclassified to profit and loss : | | | |
| Remeasurement of gains/ (losses) on defined benefit plans | 37 | (24.39) | 7.19 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | (4,183.51) | (10,738.56) |
| Earnings per Equity shares (Face Value Rupees 10 each) | 33 | | |
| Basic/ Diluted earnings per share (In Rupees) | | (9.81) | (25.35) |

Notes to the financial statements

1-57

As per our Report of even date

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

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

Vijay Napawallia
Partner
Membership Number. 109859



Ajay S Mittal
Director
DIN : 00226355

(Signature)

Navnit Choudhary
Director
DIN : 00613576

(Signature)

Place : Mumbai
Date : May 27, 2019

Amardeep Gupta
Chief Financial Officer

(Signature)

Avani Dipakkumar Lakhani
Company Secretary

(Signature)



ARSHIYA RAIL INFRASTRUCTURE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

Equity Share Capital (Refer Note 15)

(Rupees in lakhs)

| Particulars | Amount |
|---|-----------------|
| Equity Shares of Rupees 10 each issued, subscribed and paid up | |
| As at April 1, 2017 | |
| Equity Shares | 4,238.44 |
| Issue of equity share during the year | - |
| As at March 31, 2018 | 4,238.44 |
| Equity Shares | 4,238.44 |
| Issue of equity share during the year | - |
| As at March 31, 2019 | 4,238.44 |

Other Equity (Refer Note 16)

(Rupees in lakhs)

| Particulars | As at April 1, 2017 | Loss for the year | Other comprehensive income | Total comprehensive income for the year | Fair valuation of financial guarantees given | As at March 31, 2018 |
|--|---------------------|--------------------|----------------------------|---|--|----------------------|
| As at April 1, 2017 | 38,123.31 | (43,189.57) | 1,564.45 | 171.37 | (3,330.44) | |
| Loss for the year | - | (10,745.75) | - | - | (10,745.75) | |
| Other comprehensive income | - | 7.19 | - | - | 7.19 | |
| Total comprehensive income for the year | - | (10,738.56) | - | - | (10,738.56) | |
| Fair valuation of financial guarantees given | - | (4.62) | - | - | (4.62) | |
| As at March 31, 2018 | 38,123.31 | (53,932.75) | 1,564.45 | 171.37 | (14,073.62) | |
| Loss for the year | - | (4,159.12) | - | - | (4,159.12) | |
| Other comprehensive income | - | (24.39) | - | - | (24.39) | |
| Total comprehensive income for the year | - | (4,183.51) | - | - | (4,183.51) | |
| Fair valuation of financial guarantees given | - | - | 60.00 | - | 60.00 | |
| As at March 31, 2019 | 38,123.31 | (58,116.26) | 1,624.45 | 171.37 | (18,197.13) | |

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

1-57

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

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

Vijay Napawaliya
Partner
Membership Number. 109859



Ajay S Mittal
Director
DIN : 00226355

Amardip Gupta
Chief Financial Officer

Navnit Choudhary
Director
DIN : 00613576

Avani Dipakkumar Lakhani
Company Secretary

Place : Mumbai
Date : May 27, 2019



SHIYA RAIL INFRASTRUCTURE LIMITED
Cash Flow Statement for the year ended March 31, 2019

(Rupees in lakhs)

| | | | |
|--|-----------|------------|-------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Cash for the year before tax | | (4,159.12) | (10,745.75) |
| Adjustments for: | | | |
| Depreciation and amortization expenses | | 4,099.64 | 4,130.61 |
| Interest Income | | (21.10) | (29.38) |
| Loss on sale/discarded Property, plant and equipment | | - | 182.79 |
| Gain on sale of Investment | | - | (5.00) |
| Provisional Balances Written Back (net) | | (245.67) | (614.53) |
| Finance Expense | | 7,015.57 | 8,018.94 |
| Bad Debts Written off | | - | 101.36 |
| Settlement of Claims | | (6,475.16) | 302.54 |
| Unwinding of Interest on loan to related party | | - | (476.14) |
| Fair value of financial Instruments | | (5.76) | (1.28) |
| Government grant - Income | | (365.49) | (365.49) |
| Financial Guarantee Income | | (3.85) | (0.77) |
| Advance rent | | 6.13 | 1.45 |
| OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES | | (154.81) | 499.35 |
| Adjustments for: | | | |
| Trade & other payables | | 640.92 | (817.42) |
| Inventories | | 15.66 | 0.07 |
| Trade & other receivables | | (483.73) | 1,532.56 |
| CASH GENERATED FROM OPERATIONS | | 18.04 | 1,214.56 |
| Direct Tax (Paid)/ Refunds | | (113.22) | 24.58 |
| NET CASH FLOW FROM OPERATING ACTIVITIES | Total (A) | (95.18) | 1,239.14 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Property, Plant and Equipment | | (167.78) | (295.31) |
| Purchase of Intangible assets | | - | (500.00) |
| Purchase of Investment | | (77.69) | - |
| Proceeds from Sale of Investment | | 196.55 | 31.85 |
| Proceeds from Sale of Property, Plant and Equipment | | 0.47 | - |
| Interest Income | | 21.10 | 29.38 |
| NET CASH FLOW FROM INVESTING ACTIVITIES | Total (B) | (27.35) | (734.08) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings - Non current | | 2,960.00 | 3,220.74 |
| Repayment of borrowings - Non current | | (1,060.00) | (3,756.60) |
| Borrowing - current (Net) | | (1,788.58) | 1,402.08 |
| Interest paid on borrowings | | (244.00) | (1,172.85) |
| NET CASH FLOW FROM FINANCING ACTIVITIES | Total (C) | (132.58) | (306.63) |
| Net Increase/(Decrease) In cash and cash equivalents | | (A+B+C) | (255.11) |
| Cash and cash equivalents at the beginning of the year | | | 375.35 |
| Cash and Cash Equivalents at the beginning of the year | | | 120.24 |
| Cash and Cash Equivalents at the end of the year | | | 120.24 |

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

| Particulars | March 31, 2018 | Cash flow | INDAS impact | Other non cash adjustment | March 31, 2019 |
|--|----------------|------------|--------------|---------------------------|----------------|
| Long term borrowing (Refer Note no. 17 & 22) | 42,469.34 | 1,900.00 | 144.94 | 996.38 | 43,517.90 |
| Short term borrowing (Refer Note no. 20) | 2,029.26 | (1,788.58) | 63.70 | - | 304.38 |

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

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

Vijay Napatwalia
Partner
Membership Number. 109859

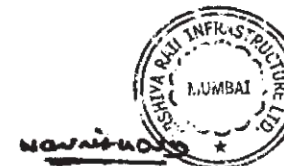


Place : Mumbai
Date: May 27, 2019

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

Ajay S Mittal
Director
DIN : 00226355

Amaldeep Gupta
Chief Financial Officer



Navnit Choudhary
Director
DIN : 00613576

Avani Dipakkumar Lakhani
Company Secretary

ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

I CORPORATE INFORMATION:

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

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

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

2 BASIS OF PREPARATION:

The financial statements of the Company have been prepared 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 Company prepared its financial statements in accordance with 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, except for certain financial assets and liabilities, which are measured at fair value/ amortised cost.

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

3 SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENT:

3.1 Property, Plant and Equipment:

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

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

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

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

Leasehold Improvements are depreciated over the period of lease.

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

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

3.2 Intangible Assets :

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

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

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

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

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

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

3.3 Leases:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

The Company as a lessee

(a) Finance lease

Assets acquired under finance lease are capitalized and the corresponding lease liability is recognised at lower of the fair value of the leased assets and the present value of minimum lease payments at the inception of the lease. Initial costs directly attributable to lease are recognised with the asset under lease.

(b) Operating lease

Lease of assets under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognised as expenses on accrual basis in accordance with the respective lease agreements.

The Company as a lessor

(a) Finance lease

When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

The lessor derecognises the leased assets and recognises the difference between the carrying amount of the leased assets and the finance lease receivable in the statement of Profit and Loss when recognising the finance lease receivable.

(b) Operating lease

Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets is diminished.

Initial indirect costs incurred in negotiating and arranging as operating lease are added to carrying value of the leased asset and recognised on a straight line basis over the lease term.

3.4 Inventories:

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

3.5 Cash and cash equivalents:

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

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

3.6 Impairment of assets:

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

3.7 Financial Instruments – Initial recognition, subsequent measurement and Impairment:

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

i) Financial assets - Initial recognition and measurement:

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

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

Financial assets at fair value 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).



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

- a) **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.
- b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

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

- a) **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
- b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets - Equity Investment in subsidiaries

The Company has accounted for its equity investment in subsidiaries at cost.

Financial assets - Derecognition

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

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

ii) Financial liabilities - Initial recognition and measurement:

The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities - Subsequent measurement:

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

Financial Liabilities - Financial Guarantee contracts:

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

Financial Liabilities - Derecognition:

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

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.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3.8 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

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

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

3.9 Revenue recognition

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

Income from services is recognized upon completion of services as per the terms of contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

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

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned revenue ("contract liability") is recognized when there is billing in excess of revenues.

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

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

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

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

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.

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.

Dividend income:

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



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3.10 Foreign currency reinstatement and translation:

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

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

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

3.11 Employee Benefits:

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

(a) Defined Contribution Plan

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

(b) Defined Benefit Plan

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

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

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

3.12 Taxes on Income:

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

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

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

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



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3.13 Borrowing Costs:

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

3.14 Earnings per share:

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

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

3.15 Current and non-current classification:

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

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

3.16 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

3.17 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 right 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.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3.18 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

3.19 Segment Reporting - Identification of Segments

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

3.20 Contributed Equity

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

3.21 Cash flow statement

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

3.22 Dividend Distribution

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

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

4.1 Property, plant and equipment and Intangible Assets:

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

4.2 Income Tax:

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

4.3 Contingencies:

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

4.4 Impairment of financial assets:

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



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

1.6 Defined benefits plans:

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

4.7 Recoverability of trade receivable:

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

4.8 Provisions:

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

4.9 Fair value measurement of financial instruments :

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



ARSHIYA RAIL INFRASTRUCTURE LIMITED

| | (Rupees in lakhs) | | | | | | | | | |
|---|-------------------|--------|-----------|--------|--------|--------|-----------|-------|-----------|--|
| Gross Carrying Value | | | | | | | | | | |
| As at April 1, 2017 | 15,138.85 | 309.52 | 25,507.44 | 10.74 | 35.91 | 2.21 | 14,283.94 | - | 55,288.61 | |
| Additions | 204.81 | - | 40.92 | - | - | - | 49.60 | - | 295.33 | |
| Disposals | - | - | (261.08) | (3.80) | - | (1.12) | - | - | (266.00) | |
| Other Adjustments | - | - | (8.32) | - | 8.32 | - | - | - | - | |
| As at March 31, 2018 | 15,343.66 | 309.52 | 25,278.96 | 6.94 | 44.23 | 1.09 | 14,333.94 | - | 55,317.94 | |
| Additions | - | - | 41.37 | - | - | 0.72 | 55.03 | 70.66 | 167.78 | |
| Disposals | - | - | - | - | (8.33) | - | - | - | (8.33) | |
| Other Adjustments | - | - | - | - | - | - | - | - | - | |
| As at March 31, 2019 | 15,343.66 | 309.52 | 25,320.33 | 6.94 | 35.90 | 1.81 | 14,388.57 | 70.66 | 55,477.39 | |
| Accumulated Depreciation | | | | | | | | | | |
| As at April 1, 2017 | - | 63.11 | 2,546.51 | 1.95 | 7.07 | 0.02 | 1,154.50 | - | 3,773.16 | |
| Depreciation for the year | - | 53.42 | 2,547.88 | 1.95 | 5.67 | - | 1,157.25 | - | 3,766.17 | |
| Deductions | - | - | (81.05) | (1.14) | 4.00 | (0.02) | - | - | (78.21) | |
| As at March 31, 2018 | - | 116.53 | 5,013.34 | 2.76 | 16.74 | - | 2,311.75 | - | 7,461.12 | |
| Depreciation for the year | - | 3.11 | 2,530.42 | 1.32 | 5.06 | 0.12 | 1,159.97 | 1.76 | 3,701.76 | |
| Deductions | - | - | - | - | (7.86) | - | - | - | (7.86) | |
| As at March 31, 2019 | - | 119.64 | 7,543.76 | 4.08 | 13.94 | 0.12 | 3,471.72 | 1.76 | 11,155.02 | |
| Net Carrying value as at March 31, 2019 | 15,343.66 | 189.88 | 17,776.57 | 2.86 | 21.96 | 1.69 | 10,916.85 | 68.90 | 44,322.37 | |
| Net Carrying value as at March 31, 2018 | 15,343.66 | 192.99 | 20,265.62 | 4.18 | 27.49 | 1.09 | 12,021.79 | - | 47,856.82 | |

Note :- In accordance with the Indian Accounting Standard (IND AS -36) on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss of property, plant and equipment during the year ended March 31, 2019.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

| | | | (Rupees in lakhs) |
|--|-------------------------------|-------------------|-------------------|
| | Depreciable Intangible Assets | Intangible Assets | Goodwill |
| Gross Carrying Value | | | |
| As at April 1, 2017 | 213.31 | 3,208.33 | 3,421.64 |
| Additions | 500.00 | - | 500.00 |
| Disposals | - | - | - |
| As at March 31, 2018 | 713.31 | 3,208.33 | 3,921.64 |
| Additions | - | - | - |
| Disposals | - | - | - |
| As at March 31, 2019 | 713.31 | 3,208.33 | 3,921.64 |
| Accumulated Amortisation | | | |
| As at April 1, 2017 | 84.03 | 250.00 | 334.03 |
| Amortisation for the year | 114.61 | 249.84 | 364.45 |
| Deductions | - | - | - |
| As at March 31, 2018 | 198.64 | 499.84 | 698.48 |
| Amortisation for the year | 148.04 | 249.84 | 397.88 |
| Deductions | - | - | - |
| As at March 31, 2019 | 346.68 | 749.68 | 1,096.36 |
| Net Carrying value as at March 31, 2019 | 366.63 | 2,458.65 | 2,825.28 |
| Net Carrying value as at March 31, 2018 | 514.67 | 2,708.49 | 3,223.16 |



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

OTHER NON CURRENT FINANCIAL ASSETS

(Rupees in lakhs)

| | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| <i>Unsecured, considered good unless otherwise stated</i> | | |
| Financial assets carried at amortised cost | | |
| Security Deposits | 57.88 | 14.21 |
| Financial Guarantee | 605.76 | 804.39 |
| Total | 663.64 | 818.60 |

3 OTHER NON CURRENT ASSETS

(Rupees in lakhs)

| | March 31, 2019 | March 31, 2018 |
|---|-----------------|-----------------|
| <i>Unsecured, considered good unless otherwise stated</i> | | |
| Capital Advances | 869.64 | 864.64 |
| Advances other than Capital advances | | |
| - Other Advances - gratuity (Refer Note 37) | - | 10.05 |
| - Prepaid Rent | 1.89 | 3.79 |
| - TDS Receivable | 458.59 | 345.37 |
| - Service tax paid under protest | 5.14 | 3.87 |
| Total | 1,335.26 | 1,227.72 |

9 INVENTORIES

(Rupees in lakhs)

| | March 31, 2019 | March 31, 2018 |
|-------------------|----------------|----------------|
| Stores and Spares | - | 15.66 |
| Total | - | 15.66 |

10 CURRENT ASSETS - TRADE RECEIVABLES

(Rupees in lakhs)

| | March 31, 2019 | March 31, 2018 |
|---|-----------------|----------------|
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - Unsecured | 1,323.33 | 666.59 |
| Trade Receivable which have Significant increase in Credit Risk | 29.11 | 4.39 |
| Trade Receivable -credit Impaired | - | - |
| | 1,352.44 | 670.98 |
| Less: Provision for expected credit loss | 29.11 | 4.39 |
| | 29.11 | 4.39 |
| Total | 1,323.33 | 666.59 |



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

(Rupees in lakhs)

| | 2019 | 2018 |
|---|---------------|---------------|
| Balances with banks in current accounts | 119.96 | 375.29 |
| Cash on hand | 0.28 | 0.06 |
| Total | 120.24 | 375.35 |

2 CURRENT ASSETS - OTHER BANK BALANCES

(Rupees in lakhs)

| | 2019 | 2018 |
|--|---------------|---------------|
| Deposits with banks to the extent held as margin money | 258.12 | 357.68 |
| Interest Accrued on Fixed Deposit | 9.18 | 28.48 |
| Total | 267.30 | 386.16 |

13 OTHER CURRENT FINANCIAL ASSETS

(Rupees in lakhs)

| | 2019 | 2018 |
|---|---------------|---------------|
| <i>Unsecured, considered good unless otherwise stated</i> | | |
| Financial assets carried at amortised cost | | |
| Security Deposits | 73.44 | 111.83 |
| Financial Guarantee | 248.93 | 236.76 |
| Total | 322.37 | 348.59 |

14 OTHER CURRENT ASSETS

(Rupees in lakhs)

| | 2019 | 2018 |
|---|---------------|---------------|
| Advances other than Capital advances | | |
| - Advances to Related Parties | - | 0.23 |
| - Advances to Suppliers | 39.84 | 81.34 |
| - Advances to Employees | 2.87 | 16.58 |
| - Others | 16.54 | 15.55 |
| Others | | |
| - Other receivable | 35.66 | 35.66 |
| - Prepaid expenses | 1.54 | 2.02 |
| - Balance with Government Authority | 37.36 | 157.08 |
| Total | 133.81 | 308.46 |



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(Rupees in lakhs)

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| | As at March 31, 2018 | As at March 31, 2019 |
|---|----------------------|----------------------|
| I) Authorised Share Capital | | |
| Equity Shares | | |
| 4,36,50,000 (As at March 31, 2018: 4,36,50,000) Equity shares of Rupees 10 each | 4,365.00 | 4,365.00 |
| Preference Shares | | |
| 13,50,000 (As at March 31, 2018: 13,50,000) Preference Shares of Rupees 10 each | 135.00 | 135.00 |
| Total | 4,500.00 | 4,500.00 |
| II) Issued, Subscribed & Fully Paid up | | |
| 4,23,84,417 (As at March 31, 2018: 4,23,84,417) Equity Shares of Rupees 10 each | 4,238.44 | 4,238.44 |
| Total | 4,238.44 | 4,238.44 |

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

| | As at April 1, 2017 | As at March 31, 2019 |
|---|---------------------|----------------------|
| Equity Share Capital | | |
| Equity shares of Rupees 10 each Issued, subscribed and fully paid | | |
| At April 1, 2017 | 4,23,84,417 | 4,238.44 |
| Issued during the year | - | - |
| At March 31, 2018 | 4,23,84,417 | 4,238.44 |
| Issued during the year | - | - |
| At March 31, 2019 | 4,23,84,417 | 4,238.44 |

Terms/rights attached to equity shares

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

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

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

| | As at March 31, 2018 | As at March 31, 2019 |
|---|----------------------|----------------------|
| | Number | Percentage |
| Equity shares of Rupees 10 each fully paid | | |
| Arshiya Limited (Holding Company) | 4,23,83,817 | 100.00 |
| Shares held by Nominee and jointly shareholders | 600 | 600 |



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(Rupees in lakhs)

16

| | 2019 | 2018 |
|---|--------------------|--------------------|
| Securities Premium Account | 38,123.31 | 38,123.31 |
| Retained Earnings | (58,116.26) | (53,932.75) |
| Equity Component of Guarantee given by Parent Company | 1,624.45 | 1,564.45 |
| Equity Component of loan from Parent Company | 171.37 | 171.37 |
| Total | (18,197.13) | (14,073.62) |

(a) Securities Premium Account

(Rupees in lakhs)

| | 2019 | 2018 |
|--------------------------------|------------------|------------------|
| Opening balance | 38,123.31 | 38,123.31 |
| Add: On issue of Equity shares | - | - |
| Closing Balance | 38,123.31 | 38,123.31 |

(b) Retained Earnings

(Rupees in lakhs)

| | 2019 | 2018 |
|-------------------------------------|--------------------|--------------------|
| Opening balance | (53,932.75) | (43,189.57) |
| Add/(Less): | | |
| Net Profit/(Loss) for the year | (4,159.12) | (10,745.75) |
| Other comprehensive income | (24.39) | 7.19 |
| Equity component of Guarantee given | - | (4.62) |
| Closing balance | (58,116.26) | (53,932.75) |

(c) Equity Component of Guarantee given by Parent Company

(Rupees in lakhs)

| | 2019 | 2018 |
|---|-----------------|-----------------|
| Equity Component of Guarantee given by Parent Company | | |
| Opening balance | 1,564.45 | 1,564.45 |
| Add/(Less): Transaction during the year | 60.00 | - |
| Closing balance | 1,624.45 | 1,564.45 |

(d) Nature & purpose of Reserves

Securities Premium Account:

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

Retained Earnings :

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

Equity Component of Guarantee given by Parent Company:

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

Equity Component of loan from Parent Company:

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

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



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

7 NON CURRENT BORROWINGS

(Rupees in lakhs)

| | March 31, 2019 | March 31, 2018 |
|-------------------------------------|------------------|------------------|
| Secured | | |
| -Term Loans | | |
| From Others (refer note 17.1 below) | 31,902.67 | 33,538.04 |
| Total | 31,902.67 | 33,538.04 |

7.1 Rupee term loan from other parties :-

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

(1) Details of Security

- First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of the company both present and future on pari passu basis.
- Second charge by way of Hypothecation of the entire current assets of the company on pari passu basis.
- Pledge of 100% equity shares of the Company held by Promoters.
- Personal guarantees from Promoters of Holding Company.
- Corporate Guarantee from Holding Company.

(2) Terms of Interest rate:

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

(3) Terms of repayment :-

(Rupees in lakhs)

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

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



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

18 NON CURRENT LIABILITIES - PROVISIONS

(Rupees in lakhs)

| | 2019 | 2018 |
|----------------------------------|---------------|--------------|
| Provision for employee benefits | | |
| Gratuity (Refer Note 37) | 72.03 | - |
| Leave encashment (Refer Note 37) | 48.49 | 16.42 |
| Total | 120.52 | 16.42 |

19 OTHER NON CURRENT LIABILITIES

(Rupees in lakhs)

| | 2019 | 2018 |
|-------------------|-----------------|-----------------|
| Government Grants | 1,632.32 | 1,723.69 |
| Total | 1,632.32 | 1,723.69 |

20 CURRENT BORROWINGS

(Rupees in lakhs)

| | 2019 | 2018 |
|--|---------------|-----------------|
| Unsecured | | |
| Loans from Holding Company (refer note 20.1 below & Note 41) | 304.38 | 2,029.26 |
| Total | 304.38 | 2,029.26 |

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



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

21 CURRENT LIABILITIES- TRADE PAYABLES

(Rupees in lakhs)

| | 2018 | 2017 |
|--|-----------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Total outstanding dues of Micro and Small Enterprises (Refer note 39 & 52) | 15.77 | 5.24 |
| Total outstanding dues of creditors Other than Micro and Small Enterprises (Refer Note 52) | 1,307.44 | 620.88 |
| Total | 1,323.21 | 626.12 |

22 OTHER CURRENT FINANCIAL LIABILITIES

(Rupees in lakhs)

| | 2018 | 2017 |
|---|------------------|------------------|
| | March 31, 2018 | March 31, 2017 |
| Financial Liabilities at amortised cost | | |
| Current maturities of long term borrowings | | |
| Term Loans from banks (Refer Note 22.1)* | 6,910.60 | 8,931.30 |
| Term Loans from others (Refer Note 17.1 & 22.2) | 4,704.64 | - |
| Interest accrued and due on borrowings** | 11,710.49 | 13,183.84 |
| Interest accrued but not due on borrowings | 3,280.15 | 1,370.35 |
| Security Deposit | 41.44 | 57.64 |
| Financial Guarantee | - | 3.85 |
| Others | | |
| Project Creditors(Refer Note 35 & 52) | 959.28 | 1,054.01 |
| Employee's Dues *** | 216.98 | 103.59 |
| Payable for Expenses | 280.10 | 502.26 |
| Total | 28,103.68 | 25,206.84 |

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

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

**Include Interest accrued and due on Term Loans aggregating to Rupees 390.64 lakhs recalled by others.

***Include Full and Final settlement of Rupees 25.28 lakhs (March 31, 2018 Rupees 14.04 lakhs)

22.1 Rupee term loan from Banks :-

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

(1) Details of Security

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

ii. Second charge by way of Hypothecation of the entire current assets of the company on pari passu basis.

iii. Pledge of 100% equity shares of the Company held by Promoters.

iv. Personal guarantees from Promoters of Holding Company.

v. Corporate Guarantee from Holding Company/ Promoter.

(2) Terms of Interest rate:

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

(3) Terms of repayment :-

(Rupees in lakhs)

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

* Refer note no. 48



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

(Rupees in lakhs)

| | 2018-19 | 2017-18 |
|--------------------------------------|-----------------|---------|
| Current maturity of Rupee Term loans | 22.50 | 2012-13 |
| | 75.00 | 2013-14 |
| | 277.50 | 2014-15 |
| | 3,695.60 | 2015-16 |
| | 2,840.00 | 2018-19 |
| Total | 6,910.60 | |

22.2 Rupee term loan from Others :-

- Rupee term loans of Rupees 2,960.00 lakhs are secured by

(1) Details of Security

- First pari passu charge on all present and future cash flows of the Company
- First pari passu charge on all movable assets and immovable assets of the company.
- Charge on cash flows and movable assets by deed of Hypothecation.
- Personal guarantees from Promoters of Holding Company.
- Corporate Guarantee from Holding Company.

(2) Terms of Interest rate:

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

(3) Terms of repayment :-

(Rupees in lakhs)

| | 2018-19 |
|--------------|-----------------|
| 2022-2023* | 2,960.00 |
| Total | 2,960.00 |

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

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

(Rupees in lakhs)

| | 2018-19 | 2017-18 |
|--------------------------------------|-----------------|---------|
| Current maturity of Rupee Term loans | 2,960.00 | 2018-19 |
| Total | 2,960.00 | |



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

(Rupees in lakhs)

| | 2018-19 | 2017-18 | 2016-17 |
|-------------------------------------|---------|-----------------|-----------------|
| Interest accrued & due on borrowing | | | |
| | 2013-14 | 965.05 | - |
| | 2014-15 | 876.51 | - |
| | 2015-16 | 1,035.94 | - |
| | 2016-17 | 1,287.23 | - |
| | 2017-18 | 1,512.65 | 1,378.00 |
| | 2018-19 | 2,612.60 | 2,042.51 |
| Total | | 8,289.98 | 3,420.51 |

OTHER CURRENT LIABILITIES

(Rupees in lakhs)

| | 2018-19 | 2017-18 |
|---|-----------------|-----------------|
| Advance received from Customers | 107.02 | 151.12 |
| Other Advances | 0.51 | 1.74 |
| Government Grants | 365.49 | 639.61 |
| Others | | |
| Statutory Liabilities* | 811.31 | 698.99 |
| Interest on Delayed payment of Statutory dues | 590.57 | 426.77 |
| Total | 1,874.90 | 1,918.23 |

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

GOVERNMENT GRANTS

(Rupees in lakhs)

| | 2018-19 | 2017-18 |
|--|-----------------|-----------------|
| Opening balance | 2,363.30 | 2,728.79 |
| Released to statement of profit and loss | (365.49) | (365.49) |
| Closing balance | 1,997.81 | 2,363.30 |
| Current | 365.49 | 639.61 |
| Non Current | 1,632.32 | 1,723.69 |

24 CURRENT LIABILITIES - PROVISIONS

(Rupees in lakhs)

| | 2018-19 | 2017-18 |
|----------------------------------|--------------|-------------|
| Provision for employee benefits | | |
| Leave encashment (Refer Note 37) | 10.61 | 3.69 |
| Total | 10.61 | 3.69 |



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

REVENUE FROM OPERATIONS

(Rupees in lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---------------------|------------------------------|------------------------------|
| Rail Freight Income | 12,098.57 | 12,338.16 |
| Road Freight Income | 722.70 | 440.86 |
| Handling Income | 626.06 | 643.90 |
| Terminal Income | 167.50 | 175.40 |
| Total | 13,614.83 | 13,598.32 |

5 OTHER INCOME

(Rupees in lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|------------------------------|------------------------------|
| Interest Income on Financial assets carried at amortised cost | | |
| Unwinding of interest on loan to related party | - | 168.45 |
| Unwinding of interest on Security deposit | 5.76 | 1.28 |
| Other interest income | | |
| Interest on Bank fixed deposits | 21.10 | 29.38 |
| Interest Income on income tax refund | - | 16.92 |
| Income on derecognition of related party loan | - | 307.69 |
| Other Income | | |
| Government Grants | 365.49 | 365.49 |
| Financial Guarantee Income | 3.85 | 0.77 |
| Sundry Balance/ Excess provision Written Back | 245.67 | 553.46 |
| Gain on sale of investment | - | 5.00 |
| Miscellaneous Income | - | 10.95 |
| Total | 641.87 | 1,459.39 |

27 COST OF OPERATIONS

(Rupees in lakhs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|--------------------------|------------------------------|------------------------------|
| Rail Freight Expenses | 9,434.84 | 10,172.63 |
| Road Freight Expenses | 687.64 | 448.10 |
| Handling Expenses | 227.76 | 231.86 |
| Terminal Expenses | 357.55 | 304.26 |
| Other operating expenses | 692.48 | 350.53 |
| Total | 11,400.27 | 11,507.38 |



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

28 EMPLOYEE BENEFITS EXPENSE

(Rupees in lakhs)

| | For the period ended March 31, 2019 | For the period ended March 31, 2018 |
|---|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus | 1,037.47 | 776.16 |
| Contribution to provident and other funds | 23.21 | 15.09 |
| Staff welfare expenses | 61.23 | 35.54 |
| Total | 1,121.91 | 826.79 |

29 FINANCE COST

(Rupees in lakhs)

| | For the period ended March 31, 2019 | For the period ended March 31, 2018 |
|---|-------------------------------------|-------------------------------------|
| Interest expense on Financial liabilities measured at amortised cost | | |
| Interest expense on borrowings | 6,476.99 | 7,451.08 |
| Unwinding of interest for loan from related party (Refer Note 41) | 63.70 | 56.88 |
| Interest expense on Security Deposit | 1.24 | 1.24 |
| Interest expense others | | |
| Interest on Delayed Payment of Statutory Dues | 167.51 | 263.01 |
| Interest on MSME vendors | 0.50 | - |
| Other borrowing costs | | |
| Guarantee Commission Expense | 246.46 | 240.56 |
| Interest Charges Others | 53.33 | - |
| Bank charges | 5.84 | 6.17 |
| Total | 7,015.57 | 8,018.94 |

30 DEPRECIATION AND AMORTISATION EXPENSES

(Rupees in lakhs)

| | For the period ended March 31, 2019 | For the period ended March 31, 2018 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Depreciation on tangible assets | 3,701.76 | 3,766.16 |
| Amortisation on intangible assets | 397.88 | 364.45 |
| Total | 4,099.64 | 4,130.61 |



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 OTHER EXPENSES

(Rupees in lakhs)

| | 2018-19 | 2017-18 |
|---|-----------------|---------------|
| Repairs and maintenance | | |
| - Building | 16.73 | 17.97 |
| - Others | 58.25 | 46.10 |
| Advertisement | 35.62 | 38.79 |
| Payments to Auditors (Refer note below) | 12.50 | 8.50 |
| Bad Debts written off | - | 101.36 |
| Electricity charges | 33.81 | 28.54 |
| Insurance | 21.45 | 18.41 |
| Legal and professional fees | 176.32 | 75.94 |
| Rates and taxes | 15.89 | 7.36 |
| Rent | 472.99 | 374.08 |
| Printing and Stationary | 16.08 | 7.82 |
| Office Expenses | 32.26 | 13.38 |
| Security charges | 59.11 | 45.14 |
| Telephone and internet expenses | 25.47 | 18.07 |
| Travelling & conveyance expenses | 185.37 | 46.98 |
| Vehicle Expenses | 44.54 | 28.18 |
| Allowance for doubtful debts and advances | 24.71 | - |
| Miscellaneous expenses | 22.19 | 18.86 |
| Loss on sale of scrap | 0.30 | - |
| Total | 1,253.59 | 895.48 |

(a) Details of Payments to auditors

(Rupees in lakhs)

| | 2018-19 | 2017-18 |
|----------------------|--------------|-------------|
| As Statutory Auditor | | |
| Audit Fee | 12.50 | 8.50 |
| Total | 12.50 | 8.50 |

32 EXCEPTIONAL ITEMS

(Rupees in lakhs)

| | 2018-19 | 2017-18 |
|---|-------------------|---------------|
| Sundry Balance / excess provision written back | - | (61.07) |
| Loss on sale/discarded of Property, plant and equipment | - | 182.79 |
| Settlement of Claim | (6,475.16) | 302.54 |
| Total | (6,475.16) | 424.26 |



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

33 Earnings per share (Basic and Diluted)

| Particulars | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| Profit available to equity shareholders Profit/(Loss) after tax (A) (Rupees in Lakhs) | (4,159.12) | (10,745.75) |
| Number of equity shares Weighted average number of equity shares outstanding (Basic and Diluted) (B) | 4,23,84,417 | 4,23,84,417 |
| Basic & Diluted earnings per share(A/B) (Rupees) | (9.81) | (25.35) |
| Nominal Value of an equity share (Rupees) | 10 | 10 |

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

(i) Capital Commitments

(Rupees in lakhs)

| Particulars | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid) | 475.64 | 400.98 |
| Cash outflow expected on execution on such capital contracts | | |

(ii) Contingent liabilities:

(Rupees in lakhs)

| Particulars | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| (a) Carrier Bond (Bond has been given to Principal of custom for the safeguarding duty liability on goods movement from respective ports to ICD Khurja) | 675.00 | 1,080.00 |
| (b) Bank Guarantee | 101.25 | 162.00 |
| (c) Letter of Credit (Letter of Credit given in favour of Railways for availing e-freight facility for haulage payment) | 100.00 | 100.00 |
| (d) Claims Against the Company not acknowledged as Debt | 23.39 | 23.39 |
| (e) Service tax Demand | 51.55 | 51.55 |
| No Cash outflow is expected in near future | | |

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

36 Operating lease commitments - Company as lessee

The company has taken office on lease under non-cancellable operating lease expiring at the end of 3 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The company has paid Rupees 340.65 lakhs (March 31, 2018: Rupees 278.56 lakhs) during the year towards minimum lease payment.

(Rupees in lakhs)

| Particulars | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| Commitments for minimum lease payments in relation to non cancellable operating leases are as follows | | |
| Future Lease Payment: | | |
| a) Within one Year | 351.92 | 340.65 |
| b) Later than one year but not later than five years | 699.19 | 1,051.11 |
| c) Later than five years | - | - |
| Total | 1,051.11 | 1,391.76 |
| Lease rents recognised as expense in the year | 340.65 | 278.56 |

37 EMPLOYEE BENEFIT

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

(a) Defined contribution plans

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

(Rupees in lakhs)

| Particulars | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| Employer's Contribution to Provident Fund | 7.00 | 5.46 |
| Employer's Contribution to Pension Scheme | 15.88 | 12.40 |
| Employer's Contribution to ESIC | 0.33 | 0.78 |



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(b) Brief descriptions of the plans

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

(c) Leave Obligations

| | (Rupees in lakhs) | |
|---------------------------------|-------------------|--------------|
| | 2019-20 | 2018-19 |
| Provisions for Leave encashment | | |
| Current | 10.61 | 3.69 |
| Non-Current | 48.49 | 16.42 |
| Total | 59.10 | 20.11 |

(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.

| Particulars | March 31, 2019 | March 31, 2018 |
|--|--|--|
| I. Actuarial assumptions | | |
| Mortality Table | Indian Assured lives Mortality (2006-08) Ult | Indian Assured lives Mortality (2006-08) Ult |
| Discount rate | 6.95% | 7.40% |
| Expected return on plan assets | 6.95% | 7.40% |
| Salary Escalation Rate | 9.00% | 7.00% |
| Withdrawal Rate | 17.00% | 15.00% |
| Retirement Age | 58 Years | 58 Years |
| II. Change in Present value of defined benefit obligations | | |
| Liability as at the beginning of the year | 47.31 | 37.19 |
| Interest cost | 3.50 | 2.30 |
| Current service cost | 19.62 | 7.78 |
| Benefits paid | (2.95) | (0.93) |
| Actuarial (gain)/loss on obligations | 24.39 | 0.98 |
| Acquisition adjustment | 41.75 | - |
| Liability as at the end of the year | 133.62 | 47.31 |
| III. Change in Fair value of plan assets | | |
| Fair value of plan assets as at the beginning of the year | 57.35 | 46.28 |
| Expected return on plan assets | 4.23 | 14.01 |
| Actual Enterprise's Contributions | - | 0.93 |
| Benefits paid | - | (0.93) |
| Actuarial gain/(loss) on plan assets | - | (2.93) |
| Fair value of plan assets as at the end of the year | 61.58 | 57.35 |
| IV. Actual return on plan assets | | |
| Expected return on plan assets | 4.23 | 14.01 |
| Actuarial gain/(loss) on plan assets | - | (2.93) |
| Actual return on plan assets | 4.23 | 11.08 |
| V. Liability recognised in the Balance Sheet | | |
| Liability as at the end of the year | 133.62 | 47.31 |
| Fair value of plan assets as at the end of the year | 61.58 | 57.35 |
| Liability/ (Asset) recognised in the Balance Sheet | 72.03 | (10.05) |
| 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 | 19.62 | 7.78 |
| Interest cost | - | 2.30 |
| Expected return on plan assets | (0.74) | (14.01) |
| Net actuarial (gain)/loss to be on obligation | - | - |
| Expense/ (Income) recognised in Statement of Profit and Loss | 18.88 | (3.93) |
| VIII. Amount recognised in the Other Comprehensive Income (OCI) | | |
| Amount recognised in OCI, beginning of the year | (7.29) | (0.10) |
| Components of actuarial gain/losses on obligations | | |
| Due to Change in financial assumptions | 16.19 | (1.16) |
| Due to Change in demographic assumption | (1.82) | - |
| Due to Change in experience assumption | 10.02 | 2.13 |
| Expected return on plan assets | - | (2.93) |
| Change in Asset Ceiling | - | - |
| Actuarial remeasurement recognised in OCI | 24.39 | (7.19) |
| Amount recognised in OCI, end of year | 17.10 | (7.29) |



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

| | | |
|---|---------|---------|
| IX. Balance Sheet reconciliation | | |
| Opening net liability | (10.05) | (9.09) |
| Expenses recognised in Profit & Loss | 18.88 | 7.16 |
| Actual Employer Contribution | (2.94) | (0.93) |
| Total Remeasurement recognised in OCI | 24.39 | (7.19) |
| Acquisition adjustment | 41.75 | - |
| Closing net liability | 72.03 | (10.05) |

- (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.

37.2 Sensitivity analysis:

| Particulars | Changes in assumptions | Effect on Gratuity obligation (Rupees in lakhs) |
|--|------------------------|---|
| For the year ended 31st March, 2018 | | |
| Salary growth rate | +0.50% | 47.66 |
| | -0.50% | 45.40 |
| Discount rate | +0.50% | 45.41 |
| | -0.50% | 47.66 |
| For the year ended 31st March, 2019 | | |
| Salary growth rate | +0.1% | 140.38 |
| | -0.1% | 127.32 |
| Discount rate | +0.1% | 127.26 |
| | -0.1% | 140.58 |

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, an increase in the salary of the plan participants will increase the plan's liability.

37.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 5 years (31st March, 2018 - 6 years).

38 Disclosure pursuant to Indain Accounting Standard 108 - Operating Segment

The company is engaged in Private Container Train Operator (PCTO) business and is holding Category-I license which allows the company to operate on Indian Rail network on pan India basis both Domestic and Exim Traffic. 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 hence does not have any operation in economic environments with different risks and returns. Hence, it is considered that the company is operating in a single geographical segment.

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

There are 2 customers (March 31, 2018 - 3 customers) aggregating to Rupees 8,179.24 lakhs (March 31, 2018 Rupees 8,619.29 lakhs) constituting 60% (March 31, 2018- 64%) of Revenue.

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

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

| Particulars | (Rupees in lakhs) | |
|--|--------------------------------|--------------------------------|
| | For the year March 31, 2019 | For the year March 31, 2018 |
| (i) Principal amount remaining unpaid | 15.77 | 5.24 |
| (ii) Interest due thereon remaining unpaid | 0.50 | - |
| (iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amount of the payment made to the supplier beyond the | - | - |
| (iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| (v) Interest accrued and remaining unpaid (net of tax deducted at source) | 0.50 | - |
| (vi) 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. | - | - |



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

I RECENT ACCOUNTING PRONOUNCEMENTS

STANDARDS ISSUED BUT NOT EFFECTIVE

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 - Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2019.

A) ISSUE OF IND AS 116 - LEASES

Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17- Leases. As per Ind AS 116, the lessor will have to bring to books all the non-cancellable portion of leasing arrangement.

B) AMENDMENT TO EXISTING STANDARD

The MCA has also carried out amendments of the following accounting standards

i. Ind AS 101- First time adoption of Indian Accounting Standards

ii. Ind AS 103 – Business Combinations

iii. Ind AS 109 - Financial Instruments

iv. Ind AS 111 – Joint Arrangements

v. Ind AS 12 – Income Taxes

vi. Ind AS 19 – Employee Benefits

vii. Ind AS 23 – Borrowing Costs

viii. Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company's financial statements.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

41 RELATED PARTY TRANSACTIONS

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

| Sl. No. | Related Party Name | Relationship | Ownership Interest (%) | Country |
|---------|--|--------------------------------------|------------------------|---------|
| 1 | Arshiya Limited | Holding Company | 100 | India |
| 2 | Arshiya Rail Siding and Infrastructure Limited (till February 3, 2018) | Subsidiary | 100 | India |
| 3 | Arshiya Supply Chain Management Private Limited (till March 21, 2018) Arshiya Northern FTWZ Limited Arshiya Industrial & Distribution Hub Limited Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited) | Fellow Subsidiaries | | India |
| 4 | Mr. Ajay S. Mittal - Director Mr. Navmit Choudhary - Director Mr. Ashish Kumar Bairagra - Independent Director Mr. Rishabh Pankaj Shah - Independent Director Mr. Siddarth Kasturia - Chief Executive Officer (w.e.f. March 26, 2019) Ms. Avani Dipakumar Lakhanl - Company Secretary (w.e.f. March 26, 2019) Mr. Vinod Jain - Chief Financial Officer (till March 25, 2019) Mr. Amardeep Gupta - Chief Financial Officer (w.e.f. March 26, 2019) | Key Managerial Personnel (KMP) | | |
| 5 | Mrs. Archana A Mittal Mr. Ananya A Mittal | Relative of Key Managerial Personnel | | |

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

| | | (Rupees in lakhs) | |
|--|--|-------------------|----------------|
| Related Party Name | Particulars | March 31, 2018 | March 31, 2019 |
| Arshiya Industrial & Distribution Hub Limited | Loans given | - | 376.05 |
| | Loan repayments** | - | (1,312.83) |
| | Rail Freight Income | 749.45 | 23.48 |
| | Unwinded Interest Income on Loan to subsidiaries | - | 67.20 |
| Arshiya Northern FTWZ Limited | Loans given | - | 943.84 |
| | Loan repayments** | - | (2,354.81) |
| | Unwinded Interest Income on Loan to subsidiaries | - | 101.22 |
| | | | |
| Arshiya Limited | Loans taken** | (788.31) | (4,831.75) |
| | Loan repayments | 2,996.44 | 3,751.60 |
| | Allocation of cost and common expenses by Holding Company* | (419.55) | (418.25) |
| | Unwinded Interest expense on Loan from holding company | (63.70) | (56.88) |
| | Financial Guarantees | (246.46) | (240.56) |
| Arshiya Supply Chain Management Private Limited | Loans given | - | 11.81 |
| | Loan repayments** | - | (11.81) |
| Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited) | Loans given | - | 0.23 |
| | Loan repayments | 0.23 | - |

* During the year, the Holding Company has allocated certain common cost and expenses incurred by it, to the company aggregating to Rupees 419.55 lakhs (31st March, 2018 - Rupees 418.25 lakhs) based on Holding Company's estimates of such cost and expenses attributable to the company. Hence, Employee benefit expenses (Refer Note No. 28) and certain expenses stated under other expenses (Refer Note No. 31) are presented as inclusive of such allocation of certain common costs and expenses.

** The Company has adjusted balance receivable amount of Arshiya Industrial, Distribution & Hub Limited (AIDHL) on March 31, 2019 Rupees NIL (March 31, 2018 Rupees 1,269.42 lakhs), receivable amount of Arshiya Northern FTWZ Limited (ANFTWZ) on March 31, 2019 Rupees NIL (March 31, 2018 Rupees 2,026.74 lakhs), receivable amount of Arshiya Supply Chain Management Private Limited (ASCM) on March 31, 2019 Rupees NIL (March 31, 2018 Rupees 4.45 lakhs) with Arshiya Limited.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(i) Closing Balances

(Rupees in lakhs)

| | 2018-19 | 2017-18 |
|--|-----------|-----------|
| Arshiya Logistics Services Limited (formerly known as Laximpadi Balaji Exim Trading Limited) | - | 0.23 |
| Arshiya Limited | 304.38 | 2,029.26 |
| Arshiya Industrial Distribution & Hub Limited | 289.58 | - |
| Arshiya Limited | 854.69 | 1,041.15 |
| Ajay S Mittal | 54,120.00 | 51,120.00 |
| Archana A Mittal | 54,120.00 | 51,120.00 |
| Arshiya Limited | 51,200.19 | 48,200.19 |
| Arshiya Limited | 550.00 | - |

(iv) Key managerial personnel compensation

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

(Rupees in lakhs)

| | 2018-19 | 2017-18 |
|------------------------------|---------|---------|
| Short term employee benefits | 20.49 | - |
| Total | 20.49 | - |

Mr. Siddharth Kasturia - Chief Executive Officer (w.e.f. March 26, 2019)

(Rupees in lakhs)

| | 2018-19 | 2017-18 |
|------------------------------|---------|---------|
| Short term employee benefits | 0.95 | - |
| Total | 0.95 | - |

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

(Rupees in lakhs)

| | 2018-19 | 2017-18 |
|------------------------------|---------|---------|
| Short term employee benefits | 0.10 | - |
| Total | 0.10 | - |

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

(Rupees in lakhs)

| | 2018-19 | 2017-18 |
|------------------------------|---------|---------|
| Short term employee benefits | 0.36 | - |
| Total | 0.36 | - |



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

FAIR VALUE MEASUREMENTS

Financial Instruments by Category

(Rupees in lakhs)

| | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 |
|------------------------------|----------------|----------------|----------------|----------------|
| FINANCIAL ASSETS | | | | |
| Amortised cost | | | | |
| Trade Receivables | 1,323.33 | 666.59 | 1,323.33 | 666.59 |
| Cash and Cash Equivalents | 120.24 | 375.35 | 120.24 | 375.35 |
| Security Deposits | 131.32 | 126.04 | 131.32 | 126.04 |
| Other Bank Balances | 267.30 | 386.16 | 267.30 | 386.16 |
| Financial Guarantee | 854.69 | 1,041.15 | 854.69 | 1,041.15 |
| | | | | |
| FINANCIAL LIABILITIES | | | | |
| Amortised cost | | | | |
| Borrowings | 43,822.29 | 44,498.60 | 43,822.29 | 44,498.60 |
| Trade Payables | 1,323.21 | 626.12 | 1,323.21 | 626.12 |
| Other financial liabilities | 16,488.44 | 16,275.54 | 16,488.44 | 16,275.54 |

i) 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:

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

iii) Fair value hierarchy

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

- Level 1 - Level 1 hierarchy** includes financial instruments measured using quoted prices.
- 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.
- 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 listed equity shares, contingent consideration and indemnification assets included in level 3.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3 Financial Risk Management

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

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

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

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

(A) Credit risk

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

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

(B) Liquidity risk

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

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



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Contractual maturities of financial liabilities

(Rupees in lakhs)

| | March 31, 2019 | March 31, 2018 | |
|------------------------------------|------------------|------------------|----------|
| March 31, 2019 | | | |
| Borrowings | 11,919.62 | 32,369.86 | - |
| Trade payables | 1,323.21 | - | - |
| Other financial liabilities | 16,489.00 | - | - |
| Total Financial liabilities | 29,731.83 | 32,369.86 | - |
| March 31, 2018 | | | |
| Borrowings | 11,024.26 | 34,150.17 | - |
| Trade payables | 626.12 | - | - |
| Other financial liabilities | 16,276.91 | - | - |
| Total Financial liabilities | 27,927.29 | 34,150.17 | - |

(C) Market risk

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

1) Foreign currency risk

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

2) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During the 31st March, 2019 the Company's borrowings at the variable rate were mainly denominated in Rupees.

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

Interest rate risk exposure

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

(Rupees in lakhs)

| Particulars | March 31, 2019 | March 31, 2018 |
|--------------------------|----------------|----------------|
| Variable rate borrowings | 6,910.60 | 8,931.30 |

Interest sensitivity

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

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



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

44 CAPITAL MANAGEMENT

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

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

| | (Rupees in lakhs) | |
|--|--------------------|-------------------|
| | March 31, 2019 | March 31, 2018 |
| Borrowings | 43,822.29 | 44,498.60 |
| Other Financial Liabilities (Interest accrued) | 14,990.64 | 14,554.19 |
| Total Debt | 58,812.93 | 59,052.79 |
| Equity | 4,238.44 | 4,238.44 |
| Other equity | (18,197.13) | (14,073.62) |
| Total Equity | (13,958.69) | (9,835.18) |

Notes:-

(i) Debt is defined as long term and short term borrowings including current maturities and interest.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

As stated in Notes to accounts, the company is also having scheme of arrangements to reorganise the capital structure.

Debt Covenants

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

Without prior approval of lender, the company shall not:

- (i) **Loans, debenture & charge** - Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.
- (ii) **Dividend on equity shares** - declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee and subject to the payment of recompense amount payable by the borrower to the lender in accordance with the provisions of RA.

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

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



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

15 Taxation

- i) In view of loss for the year, no provision for current tax has been made.
- ii) The Company has not recognised any deferred tax assets on deductible temporary differences, unused tax losses as it is not probable that the Company will have sufficient future taxable profit which can be available against the available tax losses.
- iii) Unused tax losses for which no deferred tax assets has been recognised

(Rupees in lakhs)

| Period | Deferred tax assets | Period | Deferred tax assets |
|--------------|---------------------|-----------|---------------------|
| 2014-2015 | 14,739.87 | 2022-2023 | 6,512.68 |
| 2015-2016 | - | 2023-2024 | 5,536.76 |
| 2016-2017 | - | 2024-2025 | 3,192.80 |
| 2017-2018 | 13,093.10 | 2025-2026 | 3,717.69 |
| 2018-2019 | 431.07 | 2026-2027 | 3,199.58 |
| 2019-2020 | - | 2027-2028 | 2,104.24 |
| Total | 28,264.04 | | 24,263.74 |

Unused deferred tax assets as at March 31, 2019 Rupees 9,217.76 Lakhs (March 31, 2018 - Rupees 13,290.59 Lakhs) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilised by the Company.

Details of Deferred tax assets are mentioned below:-

(Rupees in lakhs)

| Particulars | March 31, 2019 | March 31, 2018 |
|---|-------------------|--------------------|
| Property plant equipment | 4,268.76 | 4,084.31 |
| Unabsorbed depreciation | (6,308.57) | (5,773.59) |
| Expense allowable on payments under section | (166.12) | (3,651.00) |
| Unabsorbed loss | (7,348.65) | (8,397.44) |
| Financial Instruments | 336.82 | 447.13 |
| Total Deferred Tax Assets | (9,217.76) | (13,290.59) |

46 Preparation of financial statements on "Going Concern" basis

The company has incurred net loss of Rupees 4,183.51 Lakhs during the year ended March 31, 2019 and as of that date, the company's current liabilities exceeded by its current assets by Rupees 29,449.72 lakhs. Accumulated losses have also resulted into more than net worth of the company. Some of its lenders have recalled their loans and the company is in the process of negotiating the revised payment terms with the lenders.

The Company is EBIDTA positive and with the commencement of the two dedicated freight corridors, the said company will benefit immensely. Moreover, a unique contract entered into with one of the largest global shipping lines has already started to improve the profitability. Also, the proposed merger of Fellow subsidiary with the company as mentioned in note no. 51, would make their operations not only complementary, but enhance their profitability.

In view of the focussed emphasis of the Government on logistics infrastructure sector, the proposed restructuring and considering the fact that the facilities are yet to achieve full operational potential besides the strategic locations of the facilities, the management's future outlook of its businesses is very promising. Accordingly the financials have been prepared on going concern basis, based on financial support from the Parent Company.

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

- i) Focus on long term contracts with corporate clients for stable revenues.
- ii) Focus on reduction of empty haulage / return business in different sectors to increase in revenue and margins.
- iii) Diversified focus from only Steel industry to Cement, Agro and Tiles also so as to have a balance of product mix.
- iv) Increased focus on Khurja as a distribution hub post GST implementation



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- / Government focus on Multi-modal logistic and transport services to increase the throughput of the Infrastructure already created by the company;
- / Government focus on the revamping of the Railway Boards and increasing clarity on regulatory aspects to support resolution of the regulatory issues;
- / Two Dedicated Freight Corridor(s) (DFC) along the Western and Eastern part of India to support increase in the business volume.
- / Government announcement of Jewar Airport and Merut Highway connecting Jewar via Khurja and thereby connecting to Yamuna Expressway(i.e. Delhi to Agra).

The above steps shall enable the Company to improve Company's Net worth and its ability to discharge its debts/liabilities in near future.

- 47 As per debt covenant, the Company are required to adhere to repayment schedule and any short payment gives Edelweiss Asset Reconstruction Company (EARC) the right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Company. No such notice of conversion in writing has been given by EARC and the Company continues to disclose the amount as current and non-current as per repayment schedule, in the Balance Sheet.
- 48 The company had entered into one-time settlement (OTS) with a lender during the year. The company had paid partial amount against OTS and the effect was taken as an exceptional item during the year ended March 31, 2019. However, the Company has defaulted in payment as per the terms of the OTS. As a result, the Company needs to reverse the exceptional gain recorded during the year and needs to recognise interest on the entire liability as per the original terms. The Company is in discussion with the lender for additional time to repay. Accordingly, the company continues to reflect the outstanding amount of loan as per OTS in the financial statements. The Company has not reversed the gain, nor provided for additional interest. Had the Company reversed the gain and provided for additional interest, exceptional item would have been lower by Rs. 6,604.55 Lakhs and finance cost would have been higher by Rs. 3,500.76 Lakhs having consequential impact on total comprehensive income, liabilities and other Equity for the year ended 31st March, 2019.
- 49 The Company has procured certain capital goods under EPCG scheme at concessional rate of duty. On non fulfillment of certain conditions, the company may become liable to pay differential custom duty along with interest thereon such procurement. The management is hopeful of completing the expected obligation within the stipulated time.
- 50 The scheme of arrangement u/s 230 to 232 is scheme of merger of the Arshiya Industrial and Distribution Hub Limited and Arshiya Transport & Handling Limited into the company, which is pending with NCLT. The scheme is conditional on various approval / sanctions and is effective thereafter; accordingly no effect of the said Scheme is given in the financial statement. The Creditors meeting of the respective companies was held on 6th May 2019. No accounting impact and disclosures is considered and necessary at this stage pending requisite regulatory approvals.
- 51 In addition to above, the Board of Directors of the Parent Company at their meeting held on 24th May, 2018, has approved a scheme to reorganize corporate structure i.e. demerger of "Domestic warehousing business" of the Parent Company into the company. This proposed scheme of arrangement is conditional upon approval of above scheme (refer note no. 50). No accounting impact and disclosures is considered and necessary at this stage pending requisite regulatory approvals.
- 52 The Company has sent request letters/ emails to various parties for confirmations of balances under borrowings, trade receivables trade payables etc, loans and advances to 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.
- 53 Corporation Bank has filed a suit with Debt Recovery Tribunal, New Delhi, towards recovery against Arshiya Rail Infrastructure Limited, Arshiya Limited as a Corporate Guarantor and two promoter directors of the holding company as Guarantors, for Rupees 8,012.60 lakhs. The same is pending before the DRT Delhi. The matter is sub-judice.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers". The effect on adoption of Ind AS 115 was insignificant.

Revenue disaggregation by type of goods and services is given note no. 25

Revenue disaggregation by geography is as follows:

| Geography | (Rupees in lakhs) | |
|---------------|---|---|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| In India | 13,596.16 | 13,560.32 |
| Outside India | 18.67 | 38.00 |

Geographical revenue is allocated based on the location of the customers.

Revenue disaggregation by timing of revenue recognition is as follows:

| Geography | (Rupees in lakhs) | |
|--------------------------------------|---|---|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| Goods transferred at a point in time | - | - |
| Service transferred over time | 13,614.83 | 13,598.32 |

- 55 Based on recent Supreme court judgement on Provident Fund dated February 28, 2019 there are various interpretive issues including its applicability thus prospective provision w.e.f. March 01, 2019 been considered of Rs. 0.44 lakhs.

- 56 The Company's borrowings have been assigned by bankers to an ARC/ restructured with banks under CDR Package. Certain lenders had invoked the CDR package. The ARC/ CDR lenders have charged interest/ penal interest/additional interest amounting to Rs. 511.89 lakhs upto the year ended March 31, 2018, which was not accepted by the Company and hence is under negotiation. In light of audit qualifications in previous year as a matter of prudence, the company has recognised the said interest/ additional interest/ penal interest and has accordingly restated the finance cost and other consequential impacts in respective year. Further, during the year ended March 31, 2018 reported figure of finance cost, other Equity and Interest Accrued on borrowings was Rs. 7,507.05 lakhs, Rs. (13,561.72) lakhs and Rs. 12,671.96 lakhs respectively. Restated figures of finance cost, other equity and Interest Accrued on Borrowings are Rs. 8,018.94 lakhs, Rs. (14,073.62) lakhs and Rs. 13,183.84 lakhs respectively. Earning Per Share (EPS) also recalculated based on the restated figures.

- 57 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

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As per our Report of even date

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

Chaturvedi & Shah
Vijay Napawaliya
Partner

Membership Number. 109859



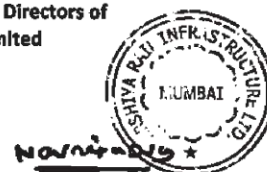
Place : Mumbai
Date: May 27, 2019

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

Ajay S Mittal

Ajay S Mittal
Director
DIN : 00226355

Amardeep Gupta
Amardeep Gupta
Chief Financial Officer



Navnit Choudhary
Navnit Choudhary
Director
DIN : 00613576

Avani
Avani Dipakkumar Lakhani
Company Secretary

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT II**

IA NO 859/2020

IN

C.A. (CAA)/2926/MB/2019

Under Section 230 to 232 read with section 66 and
section 52 and other applicable provisions of the
Companies Act, 2013

IN THE MATTER OF

Scheme of Arrangement between Arshiya Limited
bearingCIN: L93000MH1981PLC024747(Demerged
Company/Applicant Company 1)

And

Arshiya Rail Infrastructure Limited bearing CIN:
U93000MH2008PLC180907 (Resulting
Company/Applicant Company 2)

And

Their Respective Shareholders.

ARSHIYA LIMITED)

302, Ceejay House, Level-3, Shiv)

Sagar Estate, F-Block, Dr. Annie)

Besant Road, Worli, Mumbai)

400018 Maharashtra India)... Demerged Company/Applicant Company 1

ARSHIYA **RAIL** 400018 Maharashtra India

INFRASTRUCTURE LIMITED

302, Ceejay House, Level-3, Shiv

Sagar Estate, F-Block, Dr. Annie

Besant Road, Worli, Mumbai

)

)

)

)

)

)... Resulting Company/Applicant Company 2

Order delivered on: 26.02.2021

CORAM:

Mr. H.P. Chaturvedi : Hon'ble, Member (Judicial)

Mr. Ravikumar Duraisamy : Hon'ble, Member (Judicial)

For the Applicants: Hemant Sethi, i/b Hemant Sethi & Co. Advocates

Per: Harihar Prakash Chaturvedi, Member (Judicial)

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ORDER

1. This IA has been taken out by the Applicants to reschedule meetings of the secured Creditors of the Applicant Companies. By order dated 9th December 2020 passed by this Tribunal in CA No 2926 of 2019 this Bench s directed that the meetings of the Secured creditors of the Applicant Companies be convened on 14th January 2020 at 11AM and 1PM at 302 Ceejee House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai 400018.
2. It is further stated that Edelweiss Asset Reconstruction Company Limited being major lender in both the Applicant Companies needed more time to analyses and evaluate the benefits the scheme. the letter is annexed at PDF page no 43 of IA.
3. In light of the above circumstances, the meetings of the Secured Creditors of the Applicant Company be convened and held at 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai 400018 on 20th March 2021 at 11.00 am and that of Applicant Company 2 on 20th March 2021 at 1 PM at 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai 400018.
4. Applicants are directed to intimate afresh all the secured lenders of the Applicant Companies about the adjourned date of meeting by hand delivery/email /speed post and file compliance report.

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5. Rest of the order dated 9th December 2019 remains same.
6. IA NO 859/2020 is disposed of.

Sd/-
RAVIKUMAR DURAISAMY
MEMBER (Technical)

Sd/-
H P CHATURVEDI
MEMBER (Judicial)

26.02.2021
ANKIT/SAM

INFORMATION DOCUMENT OF ARSHIYA RAIL INFRASTRUCTURE LIMITED IN TERMS OF SEBI CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 10, 2017 IN RELATION TO THE SCHEME OF ARRANGEMENT BETWEEN ARSHIYA LIMITED (HEREIN AFTER REFERRED TO AS THE “DEMERGED COMPANY” OR “AL”) AND ARSHIYA RAIL INFRASTRUCTURE LIMITED (HEREIN AFTER REFERRED TO AS THE “RESULTING COMPANY” OR “ARIL” OR “COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS (“SCHEME”)



ARSHIYA RAIL INFRASTRUCTURE LIMITED

CIN: U93000MH2008PLC180907

Reg Off: 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018

T: +91 22 42305500/02 F: +91 22 4230 5555

E-mail: info@arshiyalimited.com /Website: www.arshiyalimited.com

PROMOTERS OF THE COMPANY

ARSHIYA LIMITED (Refer Part I of this Document i.e Promoters of the Company)

SCHEME DETAILS, LISTING AND PROCEDURE

The Board of Directors of the Company is proposing the Scheme of Arrangement between Arshiya Limited (here in after referred to as the “**Demerged Company**” or “**AL**”) and Arshiya Rail Infrastructure Limited (here in after referred to as the “**Resulting Company**” or “**ARIL**” or “**Company**”) and their Respective Shareholders and Creditors (“**Scheme**”) under sections 230 to 232 read with Section 66 And Section 52 and other applicable Provisions of the Companies Act, 2013. On the Scheme becoming effective the shareholders of AL would be allotted equity shares in the Company and would become shareholders of the Company as on the determined record date. The shares of AL are listed on BSE Limited (“**BSE**”), National Stock Exchange of India Limited (“**NSE**”). The equity shares so issued pursuant to the Scheme to the shareholders of AL would be listed on stock exchanges in terms of Rule 19 of the Securities Contract (Regulation) Rules, 1957. Therefore this Information Document be read accordingly. The shareholders of ARIL may also download from the website of AL this Information Document, the Scheme as approved by the Board of Directors of AL and ARIL, the valuation report dated May 24, 2018 issued by ZADN & Associates, Chartered Accountants, the fairness opinion dated May 24, 2018 issued by Chartered Capital and Investment Limited and other relevant documents related to the Scheme.

Post sanction of the Scheme, the equity shares of the Company are proposed to be listed on BSE and NSE. For the purposes of this listing, the Designated Stock Exchange is BSE.

ELIGIBILITY CRITERIA

There being no initial public offering or rights issue, the eligibility criteria of SEBI (ICDR) Regulations, 2018, as amended (“**ICDR Regulations**”) does not become applicable.

However, SEBI vide its Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 stated that the listed entity shall include the applicable information pertaining to unlisted entities involved in the scheme in the format prescribed for abridged prospectus as provided in Part E of Schedule VI of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and the same has to be annexed with the Notice or explanatory statement or proposal accompanying resolution to be sent to and passed by the shareholders while seeking approval of the scheme.

Accordingly in compliance with Regulation 37 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 the Company has submitted the relevant information, as and where applicable to an Unlisted Company, in line with the format for Abridged Prospectus specified in Part E of Schedule VI of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. **Specific attention of the shareholders is invited to the section titled “Internal Risk Factors” on page 8 of this Information Document.**

PRICE INFORMATION OF MERCHANT BANKER

Not Applicable (Since there is no invitation to Public for Subscription by way of this Document)

COMPANY'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Document contains all information with regard to the Company, which is material, that the information contained in this Information Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

| MERCHANT BANKER | STATUTORY AUDITORS | COMPANY SECRETARY |
|--|--|---|
| Chartered Capital and Investment Limited Address :418-C, "215 ATRIUM", Andheri Kurla Road, Andheri (East), Mumbai – 400 093 | Chaturvedi & Shah LLP Chartered Accountants Address: 714-715, Tulsiani Chambers, 212, Nariman Point, Mumbai-400021 | Ms. Avani Lakhani Address: 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018 |

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I. PROMOTER OF THE COMPANY

ARSHIYA LIMITED

| | | |
|--|---|--|
| Name of the Company | : | Arshiya Limited |
| Date of Incorporation | : | July 03, 1981 |
| CIN | : | L93000MH1981PLC024747 |
| Registered Office | : | 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018 |
| Nature of Business | : | The Company is engaged in the business of developing, operating and maintaining special economic zones (SEZs)/free trade and warehouse zones (FTWZs), inland container depots (ICDs), industrial parks, logistic parks, warehouses, infrastructure or infrastructure projects. |
| Names of Stock Exchanges where Equity Shares of the Company are Listed | : | ➤ BSE Limited ➤ National Stock Exchange of India Limited |

II. BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

Business Overview

- Arshiya Rail Infrastructure Limited is a Public Limited Company originally incorporated under the provisions of the Companies Act, 1956 on April 07, 2008 as Public Company Limited by Shares. It is a wholly owned subsidiary of Arshiya Limited. The registered office of Arshiya Rail Infrastructure Limited is located at 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400018, Maharashtra.

- The main objects of the Company as set out in its Memorandum of Association inter alia include:
 - To carry on the business of setting up of Rail Infrastructure/Network within India and abroad including operations/movement of Container/Goods Trains using Indian Railway Network and also to acquire, procure, obtain on lease/licence or otherwise Container Trains, Rakes, Wagons, Boggies and Create, Develop or Obtain on lease/licence basis Railway Sidings, Rail Yards, Warehouses required for the business of the Company.
 - To carry on the business predominantly in the Northern Region of India, of container freight stations which, inter-alia includes setting up of bonded warehousing infrastructure and services, facilities for customs examination, EDI, empty container yard for storage of shipping containers, repairs and refurbishment of containers, truck, cargo and material handling equipments, transportation, non-bonded warehousing, IT & ITES infrastructure and services, warehousing, cold storage and other cargo related activities.
 - To carry on the business of Transport & Handling of Containers/ Goods/ Network within India and abroad including operations/movement of Container/Cargo/Goods Trains using India Railway Network and also to acquire, procure, obtain on lease/licence or otherwise Container Trains, Rakes, Wagons, Boggies and Create, Develop or obtain on lease/licence basis Railway Sidings, Rail Yards, Warehouses required for the business of the Company.
- The Company is engaged in the business of setting up of Rail Infrastructure/Network within India and abroad including operations/movement of Container/Goods Trains using Indian Railway Network and also to acquire, procure, obtain on lease/licence or otherwise Container Trains, Rakes, Wagons, Boggies and Create, Develop or Obtain on lease/licence basis Railway Sidings, Rail Yards, Warehouses required for the business of the Company.

Business Strategy

Sharpening focus on railway business combined with Inland Container Depot (ICD) and Domestic Warehousing Business to provide excellent logistic facility. The company's ICD at Khurja is co-located with a state-of-the-art Rail Terminal. ICD-Khurja is the only private ICD in the country to have exclusive connectivity with 6-lane private rail siding offering regular and prompt rail connectivity through owned rakes to all the major gateway ports that service the northern region of India. ICD Khurja is located strategically with multiple road approaches from the major 4/6 lane highways providing a congestion-free movement of cargo and containers.

III. BOARD OF DIRECTORS OF THE COMPANY

| Sr. No. | Name of the Director | Designation (Independent / Whole time / Executive / Nominee) | Experience including current/past position held in other firms |
|---------|------------------------------------|---|---|
| 1. | Mr. Ajay Shankarlal Mittal | Director | Mr. Mittal is the key driving force behind Arshiya's growth as an integrated supply chain management and logistics infrastructure solutions company. With over three decades of experience, Mr. Mittal has successfully scaled Arshiya Limited by developing Free Trade Warehousing Zones (FTWZs), Rail & Rail Infrastructure, Industrial & Domestic Hub, and Transport & Handling to its unified business portfolio. |
| 2. | Mr. Navnit Jugal Kishore Choudhary | Director | Mr. Navnit Choudhary, a Chartered Accountant, looks after the Commercial and Taxation aspects of the company. He is associated with the Arshiya group since last 10 years. During his 20 years of career, he was associated with many organisations like KK Birla group, RPG Group, Future Group. |
| 3. | Mr. Ashishkumar Bairagra | Independent Director | Mr. Ashishkumar Bairagra has extensive experience in handling internal audits, statutory audits, management audits, tax advisory and business advisory assignments. He is a Partner of M. L. Bhuwania & Co LLP, Chartered Accountants, which is an independent member of Geneva Group International (GGI). |
| 4. | Mr. Rishabh Pankaj Shah | Independent Director | Mr. Rishabh Shah is a practicing legal counsel and a legal consultant who advises on several areas of Civil Law. He has over 20 years of experience representing major corporations as legal counsel. |

IV. OBJECTS OF THE SCHEME

(A) General Objects of the Scheme

The Board of Directors of the Company is proposing the Scheme of Arrangement between Arshiya Limited (here in after referred to as the “**Demerged Company**” or “**AL**”) and Arshiya Rail Infrastructure Limited (here in after referred to as the “**Resulting Company**” or “**ARIL**” or “**Company**”) and their Respective Shareholders and Creditors (“**Scheme**”) under sections 230 to 232 read with Section 66 And Section 52 and other applicable Provisions of the Companies Act, 2013.

The proposed demerger of the Domestic Business Undertaking of Arshiya Limited into Arshiya Rail Infrastructure Limited as envisaged in the Scheme would be:

- To integrate / consolidate its DWA, RAIL, PFT & ICD business into ARIL, which would enable Arshiya to focus solely on FTWZ Business ;
- To provide more flexibility in terms of creating business synergies in the Resulting Company i.e. ARIL, enable cost savings, rationalizing capital requirements and optimizing utilization of valuable resources which will enhance management focus on the different businesses being housed under separate entities, thereby leading to higher operational efficiency;
- To enhance value for the shareholders and allow focused strategy on expansion/ operation of both the FTWZ and the Domestic Business independently;
- To achieve and fulfill their objectives more efficiently and economically and the same is also in the interest of all the stakeholders.

On the Scheme becoming effective the shareholders of AL would be allotted equity shares in the Company and would become shareholders of the Company as on the determined record date. The shares of AL are listed on BSE Limited (“BSE”), National Stock Exchange of India Limited (“NSE”). The equity shares so issued pursuant to the Scheme to the shareholders of AL would be listed on stock exchanges in terms of Rule 19 of the Securities Contract (Regulation) Rules, 1957. Post sanction of the Scheme, the equity shares of the Company are proposed to be listed on BSE and NSE.

(B) Means of financing: Not Applicable

(C) Schedule of Deployment of Issue Proceeds: Not Applicable

(D) Name of Monitoring Agency: Not Applicable

(E) Terms of Issuance of convertible security: Not Applicable

(F) Shareholding Pattern as on December 10, 2019

| Sr. no. | Particulars | Pre – Issue Number of equity shares | % Holding of Pre Issue |
|---------|----------------------------|-------------------------------------|------------------------|
| 1. | Promoter & Promoter Group* | 4,23,84,417 | 100.00 |
| 2. | Public | 0 | 0.00 |
| | Total | 4,23,84,417 | 100.00 |

*Note: Promoter and Promoter Group Shareholding include shares being held jointly or through nominee.

(G) Number/amount of equity shares proposed to be sold by Selling Shareholders, if any – Not Applicable

V. AUDITED FINANCIALS STATEMENTS OF THE COMPANY*(Rs. in Lakhs)*

| PARTICULARS | F.Y 2018-19* | F.Y 2017-18* | F.Y 2016-17* | F.Y 2015-16 | F.Y 2014-15 |
|--|---------------------|---------------------|---------------------|--------------------|--------------------|
| Total income from operations (net) | 13,614.83 | 13,598.32 | 15,539.26 | 19,758.55 | 23,823.90 |
| Net Profit / (Loss) before tax and extraordinary items | (4,159.12) | (10,745.75) | (8,275.22) | (6,819.48) | (10,328.81) |
| Net Profit / (Loss) after tax and extraordinary items | (4,159.12) | (10,745.75) | (9,233.34) | (8,330.30) | (10,409.61) |
| Equity Share Capital | 4,238.44 | 4,238.44 | 4,238.44 | 4,088.92 | 4,088.92 |
| Reserves and Surplus / Other Equity | (18,197.13) | (14,073.62) | (3,330.44) | (9,573.12) | (1,066.62) |
| Net worth | (13,958.69) | (9,835.18) | 908.00 | (5484.20) | 3,022.29 |
| Basic earnings per share (Rs.) | (9.81) | (25.35) | (22.58) | (20.37) | (25.46) |
| Diluted earnings per share (Rs.) | (9.81) | (25.35) | (22.58) | (20.37) | (25.46) |
| Return on net worth (%) | (29.80) | (109.26) | (1016.89) | (151.90) | (344.43) |
| Net asset value per share (Rs.) | (32.93) | (23.20) | 2.14 | (13.41) | 7.39 |

*Figures are based on the statutory financial statements prepared in accordance with the Ind AS as prescribed u/s 133 of the Companies Act, 2013.

VI. INTERNAL RISK FACTORS

The below mentioned risks are the top 6 risk factors:

1. The Resulting Company is party to certain litigations which if determined against it could adversely affects its financial position and business operation.
2. The Resulting Company is required to obtain certain approvals, licenses and permits in the ordinary course of business and is required to comply with certain rules and regulations to operate the business and failure to obtain any such approvals, licenses and permits or to comply with the rules and regulations in a timely manner may adversely affect the operations.
3. The success of the Resulting Company is largely dependent upon the knowledge and experience of its Promoters and Key Management Personnel. Any loss of Key Management Personnel could adversely affect the business, operation and financial conditions of the Resulting Company.
4. The Resulting Company is exposed to foreign currency exchange rate fluctuations which may impact its cash flow and operating and financial results.
5. If the Resulting Company is unable to identify expansion opportunities or if the Resulting Company experiences delays or other problems in implementing such projects, the Company's growth, financial condition, cash flows and results of operations may be adversely affected.
6. The Resulting Company has certain contingent liabilities which if materializes may adversely affect the financial position of the Resulting Company.

VII. SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION**A. Total number of outstanding litigations against the Company and amount involved**

ARIL is involved in 3 litigations against them. Total Amount involved in all the litigations, wherever quantifiable is Rs. 204.10 Crores.

B. Brief Details of top 5 material outstanding litigation against the Company and amount involved

| Sr. No | Particulars | Litigation Filed by | Current Status | Amount Involved (Rs. In Crores) |
|--------|--|----------------------|---|---------------------------------|
| 1. | Default in Repayment of loans | Corporation Bank | The next date of the matter is scheduled dated 19.12.2019 in National Company Law Tribunal, Mumbai. | 81.24 |
| 2. | Non-Payment of service charges and Dishonour of Cheques for the services availed by the Company. | Kalindee Rail Nirman | The next date of the matter is scheduled dated 18.12.2019 in National Company Law Tribunal, Mumbai. | 5.86 |
| 3. | Default in Repayment of loans | Bank of India | The next date of the matter is scheduled dated 13.01.2020 in Debt Recovery Tribunal, Delhi. | 117 |

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any

Nil

D. Brief details of outstanding criminal proceedings against Promoters

Nil

VIII. OTHER REGULATORY AND STATUTORY DISCLOSURES

- Authority for the Scheme:**

The Scheme has been approved by the Board of Directors of the Company in their meeting held on May 24, 2018. The same is subject to the approval from the SEBI, Shareholders, Stock Exchanges, National Company Law Tribunal, Mumbai Branch Regional Director, Registrar of Companies, Official Liquidator and such other regulatory authorities, as may be applicable.

- Expert opinion obtained, if any:**

Valuation Report and Fairness Opinion

- Documents for Inspection:**

- Memorandum and Articles of Association of the Company
- Audited Financial Statement for the last five Financial Years
- Shareholding Pattern of the Company as on December 10, 2019
- Draft Scheme of Amalgamation
- Valuation Report issued by ZADN & Associates, Chartered Accountants
- Fairness Opinion on Valuation Report issued by Chartered Capital and Investment Limited, SEBI registered Category I Merchant Banker, having SEBI Permanent Registration No. INM000004018
- Networth Certificate Pre and Post Scheme

- Time and Place of Inspection of Documents:**

Copies of the above mentioned Documents may be inspected at the Registered Office of our Company situated at 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400018 between 10.00 a.m. and 2.00 p.m from Monday to Friday, except public holidays from the date of this Information Document until the Listing Approval.

IX. DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act 1992, as the case may be, have been complied with and no statement made in this disclosure document is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this disclosure document are true and correct.

For **Arshiya Limited**

Sd/-

Ajay Shankarlal Mittal
Managing Director
DIN: 00226355

Date : 26th February, 2021

Place : Mumbai

Following additional documents are required to be submitted for Demerger cases wherein a division of a listed company is hived off into an unlisted company or where listed company is getting merged with an unlisted company:

1. Clarification as to what will be listing status of the Resulting/Transferee Company/ies.

The New Equity Shares to be issued in terms of Scheme of Arrangement shall be listed and / or admitted to trading on the BSE Limited and National Stock Exchange of India Limited where the equity shares of the Demerged Company are listed.

Also Attached as an Annexure – XIII-A

2. Details of Assets and Liabilities of the Demerged division that are being transferred.

(In Crores)

| Demerged division | FY 2017-18 |
|--|-------------------|
| Assets: | |
| a. Land | 74.99 |
| b. Trade Receivable: Sundry Debtors | 00.24 |
| Total Assets | 75.23 |
| Liabilities: | |
| a. GST Liabilities | 00.04 |
| b. Inter Division Loans | 74.99 |
| c. Profit & Loss retained earnings | 00.20 |
| Total Liabilities | 75.23 |

Also Attached as an Annexure – XIII-B

3. Confirmation from the Managing Director/ Company Secretary, that:
 - a) There will be no change in Share Capital of the resulting/transferee company till the listing of the equity shares of the company on BSE Limited.
 - b) The shares allotted by the resulting company pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.

Attached as an Annexure – XIII-C

4. Confirmation by the Managing Director/ Company Secretary of the resulting/transferee company on the letter head of resulting company that:
 - a) Equity shares issued by the company pursuant to the scheme of amalgamation/ arrangement shall be listed on the BSE Limited, subject to SEBI granting relaxation from applicability under Rule 19(2) (b) of the Securities Contract (Regulation) Rules, 1957.
 - b) The company shall comply with all the provisions contained in SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.
 - c) The company shall also fulfill the Exchange's criteria for listing and shall also comply with Rules, Byelaws, and Regulations of the Exchange and other applicable statutory requirements.

Attached as an Annexure – XIII-D

5. Percentage of Net Worth of the company, that is being transferred in the form of demerged undertaking and percentage wise contribution of the Demerged division to the total turnover and income of the company in the last two years as per the following format:

(Rs. in crores)

| Particulars | Financial Year | Net worth | % to total | Turnover | % to total | Profit after Tax | % to total |
|-------------------|----------------|-----------------|----------------|--------------|----------------|------------------|----------------|
| Demerged division | 2017-18 | 75.19 | 6.41% | 0.20 | 0.23% | 0.20 | 0.38% |
| | 2016-17 | - | 0.00% | - | 0.00% | - | 0.00% |
| FTWZ divisions | 2017-18 | 1,097.71 | 93.59% | 85.22 | 99.77% | 51.79 | 99.62% |
| | 2016-17 | (102.50) | 100.00% | 75.81 | 100.00% | (105.35) | 100.00% |
| Total | 2017-18 | 1,172.91 | 100.00% | 85.42 | 100.00% | 51.99 | 100.00% |
| | 2016-17 | (102.50) | 100.00% | 75.81 | 100.00% | (105.35) | 100.00% |

FOR ARSHIYA RAIL INFRASTRUCTURE LIMITED

Navnit Choudhary

Director

DIN: 00613576

Date: 4th February, 2019

Pre De-merger Shareholding Pattern of Resulting Company
(Arshiya Rail Infrastructure Limited)

| Sr. No. | Name of the Shareholders | Address | Number of Shares | % of Holding | Amount per share (In Rs.) |
|---------|---|--|--------------------|---------------|---------------------------|
| 1 | Arshiya Limited | 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. A. B. Road, Worli, Mumbai- 400 018 | 4,23,83,817 | 100.00 | 10 |
| 2 | Mr. Ajay S Mittal (Nominee of Arshiya Limited) | Mittal Bhavan, 62-A, Pedder Road, Mumbai-400 026 | 100 | - | 10 |
| 3 | Mrs. Archana A Mittal (Nominee of Arshiya Limited) | Mittal Bhavan, 62-A, Pedder Road, Mumbai-400 026 | 100 | - | 10 |
| 4 | Arshiya Limited jointly with Mr. Navnit Choudhary | 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. A. B. Road, Worli, Mumbai- 400 018 | 100 | - | 10 |
| 5 | Arshiya Limited jointly with Mr. Navin Saraf | 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. A. B. Road, Worli, Mumbai- 400 018 | 100 | - | 10 |
| 6 | Arshiya Limited jointly with Mrs. Joyce Collaco | 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. A. B. Road, Worli, Mumbai- 400 018 | 100 | - | 10 |
| 7 | Arshiya Limited jointly with Mrs. Mini Suresh | 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. A. B. Road, Worli, Mumbai- 400 018 | 100 | - | 10 |
| | Total | | 4,23,84,417 | 100.00 | |

For ARSHIYA RAIL INFRASTRUCTURE LIMITED

Navnit Choudhary
Director
DIN: 00613576

Post De-merger Shareholding Pattern of Resulting Company
(Arshiya Rail Infrastructure Limited)

Table I - SUMMARY STATEMENT HOLDING OF SPECIFIED SECURITIES

| Category ory (I) | Category of share holder (II) | No.s of Share holders (III) | No. of fully paid up equity Share held (IV) | No.s of Partly paid- up equity Share held (V) | No. of shares unde rlying Depo sitory Receipts (VI) | Total nos. shares held (VII)= (IV)+(V) +(VI) | Share holding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Votting Rights held in each class of securities (IX) | | | | No. of Shares Under lying Out stating conver tible securities (including Warrants) (X) | Share holding, as a % assuming full conversion of convertible securities(as a % of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dema terialized form (XIV) |
|------------------------|---|--------------------------------------|---|--|--|--|--|---|----------------------|-----------|--------------------------------------|--|---|---|--|--|--|--|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+ B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| | | | | | | | | Class Equity x | Class Others y | Total | | | | | | | | |
| (A) | Promoter & Promoter Group | 2 | 63458113 | 0 | 0 | 63458113 | 51.58 | 63458113 | 0 | 63458113 | 51.58 | 0.00 | 51.58 | 10000000 | 15.76 | 63458113 | 100.00 | 63458113 |
| (B) | Public | 9590 | 59564220 | 0 | 0 | 59564220 | 48.42 | 59564220 | 0 | 59564220 | 48.42 | 0.00 | 48.42 | 1218187 | 2.05 | NA | NA | 59389483 |
| (C) | Non Promoter- Non Public | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0.00 | 0.00 | 0 | | NA | NA | |
| (C1) | Shares underlying DRs | 0 | 0 | 0 | 0 | 0 | NA | 0 | 0 | 0 | | 0.00 | 0.00 | 0 | | NA | NA | |
| (C2) | Shares held by Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0.00 | 0.00 | 0 | | NA | NA | 0 |
| | Total | 9592 | 123022333 | 0 | 0 | 123022333 | 100 | 123022333 | 0 | 123022333 | 100.00 | 0.00 | 100.00 | 11218187 | 9.12 | 63458113 | 51.58 | 122847595 |

Table II - STATEMENT SHOWING SHAREHOLDING PATTERN OF THE PROMOTER AND PROMOTER GROUP

| | Category & Name of the shareholders (I) | PAN (II) | No of Share holders (III) | No of fully paid up equity Shares held (IV) | Partly paid-up equity Share held (V) | No. of shares under lying Depo sitory Receipts (VI) | Total nos. shares held (VII)= (IV)+ (V)+ (VI) | Share holding % calculated as per SCRR,1957 As a % of (A+B+C2) (VIII) | Number of Voting Rights held in each class of securities (IX) | | | | No. of Shares Underlying Outstating convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities(as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dema terialized form (XIV) |
|-----|--|------------|---------------------------|---|--------------------------------------|---|---|---|---|----------------|----------|--------------------------|---|---|----------------------------------|---------------------------------|---|---------------------------------|--|
| | | | | | | | | | No of Voting Rights | | | Total as a % of (A+ B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| | | | | | | | | | Class Equity x | Class Others y | Total | | | | | | | | |
| 1 | Indian | | | | | | | | | | | | | | | | | | |
| (a) | Individuals/Hindu undivided Family | | | | | | | | | | | | | | | | | | |
| | ARCHANA MITTAL | AAGPM6545C | 1 | 44279894 | 0 | 0 | 44279894 | 35.99 | 44279894 | 0 | 44279894 | 35.9934 | 0 | 35.9934 | 0 | 0.0000 | 0 | 0.0000 | 44279894 |
| | AJAY SHANKARLAL MITTAL | AAGPM6550R | 1 | 19178219 | 0 | 0 | 19178219 | 15.59 | 19178219 | 0 | 19178219 | 15.5892 | 0 | 15.5892 | 11218187 | 0.0000 | 0 | 0.0000 | 19178219 |
| | Total | | 2 | 63458113 | 0 | 0 | 63458113 | 51.58 | 63458113 | 0 | 63458113 | 51.5826 | 0 | 51.5826 | 0 | 0.0000 | 0 | 0.0000 | 63458113 |
| (b) | Central Government/State Government(s) | | | | | | | | | | | | | | | | | | |
| | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| | Total | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| (c) | Financial Institutions/Banks | | | | | | | | | | | | | | | | | | |
| | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| | Total | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| | Sub-Total (A)(1) | | 2 | 63458113 | 0 | 0 | 63458113 | 51.58 | 63458113 | 0 | 63458113 | 51.5826 | 0 | 51.5826 | 0 | 0.0000 | 0 | 100.0000 | 63458113 |
| 2 | Foreign | | | | | | | | | | | | | | | | | | |
| (a) | Individuals(Non-Resident Individuals/Foreign Individuals) | | | | | | | | | | | | | | | | | | |
| | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| | Total | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| (b) | Government | | | | | | | | | | | | | | | | | | |
| | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| | Total | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| (c) | Institutions | | | | | | | | | | | | | | | | | | |
| | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| | Total | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| (d) | Foreign Portfolio Investor | | | | | | | | | | | | | | | | | | |
| | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| | Total | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| | Sub-Total (A)(2) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | 0 |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+(A)(2) | | 2 | 63458113 | 0 | 0 | 63458113 | 51.58 | 63458113 | 0 | 63458113 | 51.5826 | 0 | 51.5826 | 0 | 0.0000 | 0 | 0.0000 | 63458113 |

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011."

Table III - STATEMENT SHOWING SHAREHOLDING PATTERN OF THE PUBLIC SHAREHOLDER

| | Category & Name of the shareholders (I) | PAN (II) | No.s of Share holders (III) | No. of fully paid up equity Share held (IV) | Partly paid-up equity Share held (V) | No.s of shares underlying Depository Receipts (VI) | Total nos. shares held (VII)= (IV)+ (V)+ (VI) | Share holding % calculated as per SCRR,1957) As a % of (A+B+C2) (VIII)" | Number of Voting Rights held in each class of securities (IX) | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) (X) | Total Share holding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in demat erialized form (XIV) |
|-------|--|------------|-----------------------------|---|--------------------------------------|--|---|---|---|----------------|---------|-------------------------------------|--|--|----------------------------------|---------------------------------|---|---------------------------------|--|
| | | | | | | | | | No of Voting Rights | | | Total as a % of Total Voting Rights | | | No. (a) | As a % of total shares held (b) | No. (Not applicable) (a) | As a % of total shares held (b) | |
| | | | | | | | | | Class Equity x | Class Others y | Total | | | | | | | | |
| 1 | Institutions | | | | | | | | | | | | | | | | | | |
| (a) | Mutual Funds | | 1 | 12500 | 0 | 0 | 12500 | 0.01 | 12500 | 0 | 12500 | 0.01 | 0 | 0.01 | 0 | 0.00 | NA | NA | 0 |
| (b) | Venture Capital Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| (c) | Alternate Investment Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| (d) | Foreign Venture Capital Investors | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| (e) | Foreign Portfolio Investors | | 1 | 661494 | 0 | 0 | 661494 | 0.54 | 661494 | 0 | 661494 | 0.54 | 0 | 0.54 | 0 | 0.00 | NA | NA | 661494 |
| (f) | Financial Institution/ Banks | | 2 | 1822500 | 0 | 0 | 1822500 | 1.48 | 1822500 | 0 | 1822500 | 1.48 | 0 | 1.48 | 0 | 0.00 | NA | NA | 1822500 |
| | IDFC BANK LIMITED | AADC16523Q | 1 | 1387500 | 0 | 0 | 1387500 | 1.13 | 1387500 | 0 | 1387500 | 1.13 | 0 | 1.13 | 0 | 0.00 | NA | NA | 1387500 |
| (g) | Insurance Companies | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| (h) | Provident Funds/ Pension Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| | SUB TOTAL (B)(1) | | 4 | 2496494 | 0 | 0 | 2496494 | 2.03 | 2496494 | 0 | 2496494 | 2.03 | 0 | 2.03 | 0 | 0.00 | NA | NA | 2496494 |
| 2 | Central / State government(s) | | | | | | | | | | | | | | | | | | |
| (a) | Central Government/ State Government(s)/ President of India | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| | SUB TOTAL (B)(2) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| 3 | Non-institutions | | | | | | | | | | | | | | | | | | |
| (a.1) | Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. | | 9174 | 5242285 | 0 | 0 | 5242285 | 4.26 | 5242285 | 0 | 5242285 | 4.26 | 0 | 4.26 | 73313 | 0.06 | NA | NA | 5242284.50 |
| (a.2) | INDIVIDUAL - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | | 46 | 9095704 | 0 | 0 | 9095704 | 7.39 | 9095704 | 0 | 9095704 | 7.39 | 0 | 7.39 | 1144874 | 0.93 | NA | NA | 9095704 |
| | NAISHADH JAWAHAR PALEJA | AAAPP9781B | 1 | 1488135 | 0 | 0 | 1488135 | 1.21 | 1488135 | 0 | 1488135 | 1.21 | 0 | 1.21 | 0 | 0.00 | NA | NA | 1488135 |

| | Category & Name of the shareholders (I) | PAN (II) | No.s of Share holders (III) | No. of fully paid up equity Share held (IV) | Partly paid-up equity Share held (V) | No.s of shares underlying Depository Receipts (VI) | Total nos. shares held (VII)= (IV)+ (V)+ (VI) | Share holding % calculated as per SCRR,1957) As a % of (A+B+C2) (VIII)* | Number of Voting Rights held in each class of securities (IX) | | | | No. of Shares Underlying Outstating convertible securities (including Warrants) (X) | Total Share holding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|-----|--|------------|-----------------------------|---|--------------------------------------|--|---|---|---|----------------|----------|-------------------------------------|---|--|----------------------------------|---------------------------------|---|---------------------------------|---|
| | | | | | | | | | No of Voting Rights | | | Total as a % of Total Voting Rights | | | No. (a) | As a % of total shares held (b) | No. (Not applicable) (a) | As a % of total shares held (b) | |
| | | | | | | | | | Class Equity x | Class Others y | Total | | | | | | | | |
| (b) | NBFCs registered with RBI | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| (c) | Employee Trusts | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 2.03 | 0 | 0.00 | NA | NA | 0 |
| (e) | Any Other(BODIES CORPORATE) | | 164 | 40017275 | 0 | 0 | 40017275 | 32.53 | 40017275 | 0 | 40017275 | 32.53 | 0 | 32.53 | 0 | 0.00 | NA | NA | 40017275 |
| | ECAP EQUITIES LIMITED | AABCE8997N | 1 | 4867500 | 0 | 0 | 4867500 | 3.96 | 4867500 | 0 | 4867500 | 3.96 | 0 | 3.96 | 0 | 0.00 | NA | NA | 4867500 |
| | EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED | AAATE7452N | 1 | 3914215 | 0 | 0 | 3914215 | 3.18 | 3914215 | 0 | 3914215 | 3.18 | 0 | 3.18 | 0 | 0.00 | NA | NA | 3914215 |
| | EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED | AAATE6688G | 1 | 1250476 | 0 | 0 | 1250476 | 1.02 | 1250476 | 0 | 1250476 | 1.02 | 0 | 1.02 | 0 | 0.00 | NA | NA | 1250476 |
| | EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED | AAATE6841P | 1 | 2008954 | 0 | 0 | 2008954 | 1.63 | 2008954 | 0 | 2008954 | 1.63 | 0 | 1.63 | 0 | 0.00 | NA | NA | 2008954 |
| | EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED | AAATE6490L | 1 | 2079638 | 0 | 0 | 2079638 | 1.69 | 2079638 | 0 | 2079638 | 1.69 | 0 | 1.69 | 0 | 0.00 | NA | NA | 2079638 |
| | EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED | AAATE7680C | 1 | 4967701 | 0 | 0 | 4967701 | 4.04 | 4967701 | 0 | 4967701 | 4.04 | 0 | 4.04 | 0 | 0.00 | NA | NA | 4967701 |
| | EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED | AAATE6570B | 1 | 2188095 | 0 | 0 | 2188095 | 1.78 | 2188095 | 0 | 2188095 | 1.78 | 0 | 1.78 | 0 | 0.00 | NA | NA | 2188095 |
| | EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED | AAATE6849F | 1 | 1717160 | 0 | 0 | 1717160 | 1.40 | 1717160 | 0 | 1717160 | 1.40 | 0 | 1.40 | 0 | 0.00 | NA | NA | 1717160 |
| | EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED | AAATE6341A | 1 | 1676195 | 0 | 0 | 1676195 | 1.36 | 1676195 | 0 | 1676195 | 1.36 | 0 | 1.36 | 0 | 0.00 | NA | NA | 1676195 |
| | EDELWEISS ASSET RECONSTRUCTION COMPANY LTD | AAATE7922P | 1 | 6429215 | 0 | 0 | 6429215 | 5.23 | 6429215 | 0 | 6429215 | 5.23 | 0 | 5.23 | 0 | 0.00 | NA | NA | 6429215 |
| (e) | Any Other(CLEARING MEMBER) | | 47 | 711476 | 0 | 0 | 711476 | 0.58 | 711476 | 0 | 711476 | 0.58 | 0 | 0.58 | 0 | 0.00 | NA | NA | 711476 |

[illegible]

Table IV - STATEMENT SHOWING SHAREHOLDING PATTERN OF THE NON PROMOTER - NON

| Category Name of shareholders (I) | PAN (II) | No. Share holders (III) | No. fully paid up equity Share held (IV) | No. partly paid-up equity Share held (V) | No. shares under lying Depository Receipts (VI) | Total no. shares held (VII)= (IV)+(V)+(VI) | Share holding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) (X) | Total Shareholding, as a % assuming full conversion of convertible securities(as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | |
|-----------------------------------|--|-------------------------|--|--|---|--|---|---|----------------|-------|--|---|----------------------------------|---------|---|--------------------------|---|--|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B +C) | No. (a) | As a % of total shares held (b) | No. (Not applicable) (a) | | As a % of total shares held (Not applicable) (b) |
| | | | | | | | | Class Equity x | Class Others y | Total | | | | | | | | |
| 1 | Custodian/DR Holder | | | | | | | | | | | | | | | | | |
| I | | | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |
| | “Total Non Promoter- Non Public Shareholding (C)=(C) (1)+(C)(2)” | | 0 | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0 | 0.0000 | 0 | 0.0000 | NA | NA | 0 |

"Note

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares.

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available."

Table V - STATEMENT SHOWING DETAILS OF SIGNIFICANT BENEFICIAL OWNERS

| Sr. No | Details of the significant beneficial owner (I) | | | Details of the registered owner (II) | | | Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect *: (III) Whether by virtue of: | | | | | Date of creation / acquisition of significant beneficial interest* (IV) |
|--------|---|---|-------------|--------------------------------------|---|-------------|---|-----------------|--|---------------------|-----------------------------------|---|
| | Name | PAN/ Passport No. in case of a foreign national | Nationality | Name | PAN/ Passport No. in case of a foreign national | Nationality | Shares % | Voting rights % | Rights on distributable dividend or any other distribution | Exercise of control | Exercise of significant influence | |
| | | | | | | | | | | | | |

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ARSHIYA LIMITED

CIN: L93000MH1981PLC024747

Registered Office: 302, Level-3, Ceejay House, Shiv Sagar Estate, F-block,
Dr. Annie Besant Road, Worli, Mumbai-400018

FORM NO. MGT-11 (PROXY FORM)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Meeting of all the Secured Creditors (including Debenture Holders) of Arshiya Limited ("the Company")

(Convened Pursuant to The Order Dated 26th Day Of February, 2021 Passed By The Hon'ble National
Company Law Tribunal, Mumbai Bench)

Time & Date: 11:00 a.m.(1100 Hrs), Saturday, 20th March, 2021

Venue: 302, Level-3, Ceejay House, Shiv Sagar Estate, F-block,
Dr. Annie Besant Road, Worli, Mumbai-400018

| | |
|-----------------------------------|--|
| Name of the Secured Creditor (s): | |
| Registered Address: | |
| E-mail Id: | |

I/We, being the Secured Creditor (s) for Rs_____of the above-named company, hereby appoint

1. Name:
Email ID:
Address:
Signature:, Or failing him/her
2. Name:
Email ID:
Address:
Signature: Or failing him/her
3. Name:
Email ID:
Address:
Signature:

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the said Meeting of the Company, to be held on Saturday, the 20th March, 2021 at 11.00 a.m. (1100 Hrs) at Hall of Culture (Nehru Centre), Dr. Annie Besant Road, Worli, Mumbai- 400 018 and at any adjournment thereof in respect of resolutions are indicated below:

| Item No. | Resolutions | Outstanding Amount owed | I assent to the resolution | I dissent from the resolution |
|--------------------------|--|-------------------------|----------------------------|-------------------------------|
| SPECIAL BUSINESS: | | | | |
| 1 | Approval of Composite Scheme of Arrangement Between Arshiya Limited And Arshiya Rail Infrastructure Limited And Their Respective Shareholders And Creditors. | | | |

**This is only optional Please put a √ in the appropriate column against the resolutions indicated in the Box. Alternatively you may mention the Outstanding amount owed to you in the appropriate column in respect of which you would like your proxy to vote, if you leave all the columns blank against any or all the resolutions your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed_____this day of_____2021

Affix
Revenue
Stamp
Rs.1/-

Signature of Secured Creditor: _____

Signature of Proxy holder(s): _____

Notes:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the said meeting***
A proxy need not be a Secured Creditor of the company.
- 2) In case the appointer is a body corporate the proxy form should be signed under its seal or be signed by an office or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the proxy form.***

**ARSHIYA LIMITED****CIN:** L93000MH1981PLC024747**Reg. Off:** 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400018**T:** +91 22 42305500/02 **F:** +91 22 4230 5555**E-mail:** info@arshiyalimited.com | **Website:** www.arshiyalimited.com**Attendance Slip for Meeting of all the Secured Creditors (including Debenture holders) of Arshiya Limited ("the Company").**

(Convened Pursuant to The Order Dated 26th Day Of February, 2021 Passed By The Hon'ble
National Company Law Tribunal, Mumbai Bench)

I, a Secured Creditor/ proxy / authorised representative for a such Creditor of the Company, hereby record my presence at the said Meeting of the Company on Saturday, the 20th March, 2021 at 11:00 a.m.(1100 Hrs) at 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400018, Maharashtra.

| | | |
|--|---|-----------|
| Name and Address of the Secured Creditor : | | |
| If Secured Creditor(s) please sign here | If Proxy, please mention name and sign here | |
| | Name of Proxy | Signature |
| | | |

Notes:

- (1) Secured Creditors / Proxy holders as the case may be are requested to produce the attendance slip duly signed at the Meeting entrance.
- (2) Said creditors holding slip in physical form, are requested to advise change in their address, if any, to the Registered address of the Company as mentioned above.

ARSHIYA LIMITED**CIN:** L93000MH1981PLC024747**Regd Off:** - 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018 **Tel:** 022 4230 5500 **Fax:** 022 4230 5555**E-mail:** info@arshiyalimited.com Website: www.arshiyalimited.com

Meeting of all the Secured (including Debenture holders) /Unsecured Creditors of Arshiya Limited ("the Company")
(Convened Pursuant to The Order Dated 26th Day Of February, 2021 Passed By The Hon'ble National Company Law Tribunal, Mumbai Bench)

Time & Date for Secured Creditors: 11:00 a.m (1100 Hrs)., Tuesday, 14th January, 2020**Venue:** 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.**BALLOT PAPER**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Arshiya Limited**Registered office:** 302, Level-3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018

| S I . No. | Particulars | Details | | |
|--|--|-------------------------|----------------------------|-------------------------------|
| 1. | Name of the Secured/unsecured Creditor (In block letters) | | | |
| 2. | Postal address | | | |
| 3. | Class of Creditor | Secured | | |
| I hereby exercise my vote in respect of Special resolutions enumerated below by recording my assent or dissent to the said resolution in the following manner: | | | | |
| Item No. | Resolutions | Outstanding Amount owed | I assent to the resolution | I dissent from the resolution |
| SPECIAL BUSINESS: | | | | |
| 1 | Approval of Composite Scheme of Arrangement Between Arshiya Limited and Arshiya Rail Infrastructure Limited and Their Respective Shareholders And Creditors. | | | |

Date:

Place:

(Signature of the Secured Creditor)

Site Map to the Venture

