

## **CHAIRMAN'S SPEECH**

Welcome to 40th Annual General Meeting of your Company.

I hope you and your family are safe and healthy in these difficult times of COVID -19 pandemic. Undoubtedly previous year has been a great economic and resilience test – however, your Company has managed to maintain the sustainable growth and its monopolistic presence.

Your Company was the first to introduce India's first Free Trade and Warehousing Zone (FTWZ) in Panvel. We at 'Arshiya' have been always unique in our business strategies and our approaches which has been proven to be ahead of time. Your Company has provided foremost integrated supply chain and logistics infrastructure solutions. As the Company falls under the premise of the SEZ law, the FTWZs offers` immense benefits to the companies with import, export, and trading activities out of India. The FTWZs allows flexibility towards end-distribution through duty deferment, higher inventory visibility, reduced buffer stocks, and overall lower product costs enabling flexible and hassle-free re-export in addition to other advantages.

The previous year due to the continued impact of the Covid-19 pandemic which resulted in stagnant economic performance, foreign exchange rate fluctuations, and a downturn in some sectors globally and have posed challenges to economic growth.

Allow me to share the snapshot of our Company`s financials in the 2020-21:

Your Company generated operating revenues of Rs. 220.64 Crores as compared to previous financial year Rs. 294.48 crores in financial year 2020-21. Your company has 14 subsidiaries in total out of which 4 are material subsidiaries details of which are provided in page no. 26 of the Annual report.

### **Standalone:**

<b>Particulars</b>	<b>Year Ended 31.03.2021</b>	<b>Year Ended 31.03.2020</b>
Income	8,553.74	25,097.43
Expenditure	18,581.77	22,487.36
Profit/(Loss) Before Tax and Exceptional Items	(10,028.03)	2,610.07
Exceptional Items (Net)	-	1,08,062.25
Prior period Items (Net)	-	-
Tax Expenses	-	1,102.96
<b>Profit/(Loss) After Tax</b>	<b>(10,028.03)</b>	<b>(1,06,555.14)</b>
<b>Earnings Per share</b>	<b>(3.88)</b>	<b>(43.13)</b>

<b>Basic and Diluted</b>	(3.88)	(43.13)
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**Consolidated:**

Amount Rs. in Lakhs)

<b>Particulars</b>	<b>Year Ended 31.03.2021</b>	<b>Year Ended 31.03.2020</b>
Income	27,453.14	30,765.41
Expenditure	64,043.20	67,950.83
Profit/(Loss) Before Tax and Exceptional Items	(36,590.06)	(37,185.42)
Exceptional Items (Net)	-	7,810.00
Prior period Items(Net)	-	-
Tax Expenses	8.64	1,109.93
<b>Profit/(Loss) After Tax</b>	<b>(36,823.14)</b>	<b>(46,216.45)</b>
<b>Earnings Per share</b>	<b>(14.24)</b>	<b>(18.70)</b>
<b>Basic and Diluted</b>	<b>(14.24)</b>	<b>(18.70)</b>

Further the minor qualifications of statutory auditor`s in audit report along management response has been given in detail on page no. 16 of Annual report.

I am happy to announce the completion of construction of Warehouse no 7 in the previous financial year, wherein your Company has been associated with Ascendas (now Capitaland) which is a globally prominent infrastructure / real estate investor. We have already taken a step ahead and initiated the due diligence for the commencement of construction of warehouse 8 in coming financial year.

With our perseverance the Company under its wholly owned subsidiary Arshiya Northern FTWZ Limited having Free trade warehousing zone (FTWZ) at Khurja (Uttar Pradesh) has been declared as Multi Purpose SEZ in March 2021. This will increase the suite of services provided by Arshiya Group to include manufacturing (i.e. assembly of mobile, telephone, other electronics devices and Defence sector for availing off-set benefits) services along with FTWZ services already offered to our customers.

Given the Governments push toward an Atmanirbhar India (PLI scheme) as well as a global push of multinationals to have a 'China - Plus One' strategy, the Company sees this as a strategic foray into offering assembly-like manufacturing services to Global Marquee Clients in multiple sectors.

Your Company has moved a similar application for conversion of Arshiya Panvel FTWZ Services Private Limited has also been made to be declared as a Multi-Purpose SEZ.

Arshiya's FTWZ has developed a huge interest from Global & Indian business houses that shall enable them to leverage India's cost and skill arbitrage and be able to tap into India's market potential with far more ease and efficiency.

Your Company has been very focussed, we expect that advanced economies will recover faster, supported by fiscal stimulus and vaccination mechanisms. Industries have seen varied impact for continuity of operations, supply chains and consumer demand.

Your Company's customer base has been always geographically diversified as we operate on a pan India basis. This mitigates risks arising from geopolitical and currency volatility to a certain degree also as a key achievement has been making its presence in the 'Defence sector' which is very niche sector to be part of.

During the past year, amidst travel restrictions and lockdowns instituted by various governments across geographies, your Company ensured safety and wellbeing of all its employees, and facilitated a seamless transition for employees to work from home, supported with processes and tools for remote working, communication, and collaboration.

The strategic diversification, seamless continuity of delivery and operations, and investments in improving offerings and sales enabled the Company to increase operating revenue in a year which is part of the annual reports where the global economy was contracting.

In the year ahead, your Company intends to energise the business development function by inducting professionals resulting in a steady warehouse build and fill-out. Debt reduction is another item high on the management agenda. In a post GST era and armed with our new multi-purpose SEZ approval, we intend to target new addressable markets such as e-commerce and assembly style manufacturing. Data Centres is a medium-term growth agenda. We hope all the above actions will generate good shareholder value and make your Company a force to reckon with in the high potential, niche business areas of scaled warehousing and data centres.

I would like to extend my gratitude to our management team, staff, and business associates for their contribution and commitment towards Arshiya Group.

I take this opportunity to also record my appreciation for my fellow directors for guiding the Company amidst this challenging operating environment. We recognize the difficult period that the entire economy has witnessed in the past few quarters and the predominance of individual retail investors in our investor base.

Last but not least, on behalf of the entire Board of Directors and the management team, I would like to thank you for your continued trust, guidance and support

**Ajay S Mittal**  
**Chairman & Managing Director**