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 I www.arshiyalimited.com

NOTICE TO THE SECURED AND UNSECURED CREDITORS
MEETING OF THE SECURED CREDITORS (INCLUDING DEBENTURE HOLDERS) AND UNSECURED CREDITORS OF ARSHIYA LIMITED CONVEY PURSUANT TO THE ORDER DATED 9TH DAY OF DECEMBER, 2019 PASSED BY THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

MEETING OF SECURED CREDITORS (INCLUDING DEBENTURE HOLDERS):

Day	Tuesday
Date	14th Day of January, 2020
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

MEETING OF UNSECURED CREDITORS:

Day	Tuesday
Date	14th January, 2020
Time	2:00 P.M. (1400 Hours)
Venue	302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400018, Maharashtra

INDEX:

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 09TH DECEMBER, 2019 OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

To,

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

TAKE NOTICE that by an order dated 09th December, 2019 ("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) and unsecured creditors 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 Tuesday, the 14th January, 2020 at 11:00 A.M at which time and place the said Secured Creditors (Including Debenture Holders) are requested to attend.

TAKE FURTHER NOTICE THAT, in pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the Unsecured Creditors 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 Tuesday, the 14th January, 2020 at 2:00 P.M at which time and place the said Unsecured Creditors 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 Tuesday, 14th January, 2020.

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: 10th December, 2019

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) or Unsecured Creditors of the Applicant Company may attend and vote (either in person or by proxy) at the Secured Creditors (Including Debenture Holders) or Unsecured Creditors meeting respectively. The representative of body corporate which is a Secured Creditor (Including Debenture Holders) or Unsecured Creditor of the applicant Company may attend and vote at Secured Creditors (Including Debenture Holders) or Unsecured Creditors 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 and Unsecured Creditors as on 30th September, 2019 in electronic form as well as the physical copy of the same by the permitted mode.

5. The quorum of the meeting of the Secured Creditors and Unsecured 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 through e-voting process, through postal ballot and 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 15th January,2020. 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.

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

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

1. Pursuant to the order dated 09th December, 2019 ("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) and Unsecured Creditors of the Resulting 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. and 2:00 P.M.on Tuesday, 14th January, 2020 respectively, 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 6th December, 2019 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	
24,60,44,665 Equity Shares of Rs. 2 each fully paid-up	49,20,89,330

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 06th December, 2019 along with their names and addresses is provided below:

List Of Director				
SR No.	Name Of Director	DIN	Designation	Address
1	Ashishkumar Bairagra	00049591	Independent Director	44, Sadhana Building, B Road, Churchgate Mumbai 400020 Maharashtra India
2	Tara Sankar Bhattacharya	00157305	Independent Director	8e, B-1, Harbor Heights, N A Sawant Road, Colaba, Mumbai 400005Maharashtra India
3	Ajay Shankarlal Mittal	00226355	Managing Director	Mittal Bhavan 2, 3rd Floor, 62-A, Peddar Road, Mumbai 400026 Maharashtra India
4	Rishabh Pankaj Shah	00694160	Independent Director	Saranam Building, Block No. 7, 7th Road, Prabhat Colony, Santacruz (East), Mumbai 400055 Maharashtra India
5	Archana Ajay Mittal	00703208	Joint Managing Director	Mittal Bhavan 2, 3rd Floor, 62-A, Peddar Road, Mumbai 400026 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.comrespectively.

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 in 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 unsecured creditors as on 30th September, 2019:

CREDITORS	NO. OF CREDITORS	AMOUNT DUE
Secured Creditors	17	9,98,83,92,045
Unsecured Creditors	128	12,12,96,050

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: 10th December, 2019
Place: Mumbai

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

Annexure A

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 PROVISONS 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 in 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 depositaries 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.

BSE - INTERNAL

EXPERIENCE THE NEW

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 - INTERNAL

The Company shall fulfill 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.**

EXPERIENCE THE NEW

Any service of notice under Section 230 (5) or Section 66 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 26, 2019 issued to the company.

Yours faithfully,

Nitinkumar Pujari
Senior Manager

National Stock Exchange Of India Limited

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/18881submitted 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

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

Arshiya

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.arshiyalimited.com.

Request you to kindly take the same on your record.

For Arshiya Limited

Arshiya Limited Mumbai

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 I F: +91 22 4230 5555 I Email: info@arshiyalimited.com I www.arshiyalimited.com
CIN : L93000MH1981PLC024747

Arshiya

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

Arshiya Limited Mumbai

Savita Dalal
Company Secretary & Compliance Officer

Date: 17th November, 2018

Arshiya

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

ARSHIYA LIMITED MUMBAI

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

ARSHIYA LIMITED MUMBAI

Savita Dalal
Company Secretary & Compliance Officer

Date: 14th May, 2019

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

Arshiya

ANNEXURE IV

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

Arshiya Limited
Mumbai

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

Ajay S Mittal
Managing Director

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 I F: +91 22 4230 5555 I Email: info@arshiyalimited.com I www.arshiyalimited.com
CIN : L93000MH1981PLC024747

Arshiya

ANNEXURE IV

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

Arshiya Limited Mumbai

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

Ajay S Mittal
Managing Director

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 I F: +91 22 4230 5555 I Email: info@arshiyalimited.com I www.arshiyalimited.com
CIN : L93000MH1981PLC024747

ANNEXURE- EI

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 into 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: 10th December, 2019
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
    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 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: 10th December, 2019
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**'.

ZADN & ASSOCIATES MUMBAI

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	57,646,190
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 alloted upon conversion of OCRPS	Allotment of equity shares pursuant to converiosn of OCRPS	No. of OCRPS outstanding as on date	Balance allotment of equity shares
Series I - OCRPS	6,423,329	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	**10,743,329**	**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 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.

ZADN & ASSOCIATES MUMBAI

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

ZADN & ASSOCIATES MUMBAI

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.

ZADN & ASSOCIATES MUMBAI

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.

ZADN & ASSOCIATES MUMBAI

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.

ZADN & ASSOCIATES MUMBAI

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.

ZADN & ASSOCIATES MUMBAI

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

ZADN & ASSOCIATES MUMBAI

Zulfiqar Shivji
Partner

M. No.100666
Place: Mumbai

CHATURVEDI & SHAH
Chartered Accountants

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.

Head Office: 714-715, Tulsiani Chambers, 212, Nariman Point, Mumbai - 400 021, India. Tel.: +91 22 3021 8500 • Fax :+91 22 3021 8595
Other Offices: 44 - 46, 4th Floor, "C" Wing, Mittal Court, Nariman Point, Mumbai - 400 021. India. Tel.: +91 22 4510 9700 • Fax : +91 22 45109722.
URL : www.cas.ind.in
Branch : Bengaluru

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.

418-C, "215 ATRIUM", Andheri Kurla Road, Andheri (East), Mumbai-400 093.
Tel.: 91-22-6692 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**'.

CHARTERED CAPITAL AND INVESTMENT LTD.

Regd. Office : 711, Mahakant, Opp. V. S. Hospital, Ellisbridge, Ahmedabad - 380 006.
CIN NO: L45201GJ1986PLC008577

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

CHARTERED CAPITAL AND INVESTMENT LTD.

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

CHARTERED CAPITAL AND INVESTMENT LTD.

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 save 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.

CHARTERED CAPITAL AND INVESTMENT LTD.

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

A.K. Gattani

Amitkumar Gattani
Assistant Vice President

CHARTERED CAPITAL AND INVESTMENT LTD.

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	73,858.36	94,138.63
(b) Capital Work-in-Progress		76.02	-
(c) Intangible Assets	6	845.86	1,235.96
(d) Intangible Assets Under Development		60.00	-
(e) Financial Assets			
(i) Investments	7	1,34,680.02	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
		2,20,634.24	**2,31,397.90**
Current assets			
(a) Inventories	11	16,505.97	-
(b) Financial Assets			
(i) Trade Receivables	12	814.64	764.60
(ii) Cash and Cash Equivalents	13	5.86	135.69
(iii) Bank Balances Other than (ii) above	14	15.17	0.04
(iv) Loans	15	30,327.14	33,279.99
(v) Other Financial Assets	16	4,082.95	1,848.71
(c) Other Current Assets	17	2,134.00	2,319.64
		53,885.73	**38,348.67**
Total Assets		**2,74,519.97**	**2,69,746.57**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	18	4,872.29	4,564.34
(b) Other Equity	19	1,66,643.28	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	68,839.87
(ii) Other Financial Liabilities	21	1,612.72	2,191.60
(b) 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	29,679.14	21,506.03
(b) Other Current Liabilities	26	1.434.11	1.062.48
(c) Provisions	27	8.35	9.57
		41,005.55	**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/W100355

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

Vijay Napawaliya
Partner
Membership Number: 109859

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2019

Savita Dalal
Company Secretary

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	13,139.98	8,542.02
Other income	29	2,192.48	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	(13,296.84)
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 101720W/W100355

Vijay Napawaliya
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

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP: Accounts & Finance

Place: Mumbai
Date: 27th May, 2019

Arshiya Limited

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	
As at 31st March, 2017	3,123.59
Issue of Equity Shares	1,440.75
As at 31st March, 2018	**4,564.34**
Issue of Equity Shares	307.95
As at 31st March, 2019	**4,872.29**

B. Other Equity (Refer Note No. 19)

(Rs. in Lakh)

Particulars	Other Reserves				Reserve and Surplus			Total
	Share application money pending allotment	Money received against share warrants	Equity Component of 0% Optionally Convertible Preference shares (OCRPS)	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings	
Balances as on 31st March, 2017	**18,766.71**	**-**	**88,620.84**	**124.80**	**79,617.43**	**940.18**	**(68,332.91)**	**1,19,737.05**
Profit/(loss) for the year	-	-	-	-	-	-	3,895.66	3,895.66
Other comprehensive income	-	-	-	-	-	-	(2.69)	(2.69)
Total comprehensive income for the year	-	-	-	-	-	-	**3,892.97**	**3,892.97**
On issue of equity shares	(18,766.71)	-	(41,068.97)	-	95,278.86	-	-	35,443.18
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	-	-	-	-	-	-	64.05	64.05
Conditional lease rent	-	-	-	-	-	-	390.41	390.41
Balances as at 31st March, 2018	**-**	**860.25**	**47,551.87**	**124.80**	**1,74,858.67**	**940.18**	**(63,985.48)**	**1,60,350.30**
Profit/(loss) for the year	-	-	-	-	-	-	(3,516.49)	(3,516.49)
Other comprehensive income	-	-	-	-	-	-	8.11	8.11
Total comprehensive income for the year	-	-	-	-	-	-	**(3,508.38)**	**(3,508.38)**
Money received against share warrants	-	15.00	-	-	-	-	-	15.00
On issue of equity shares	-	(875.25)	(47,551.87)	-	58,213.49	-	-	9,786.37
Balances as at 31st March, 2019	**-**	**-**	**-**	**124.80**	**2,33,072.16**	**940.18**	**(67,493.86)**	**1,66,643.28**

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/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP: 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)
Driscarding/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)		-	4,338.19
Depreciation and amortization expense		1,482.22	2,091.67
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		(898.96)	(639.31)
Foreign exchange difference (net)		12.81	(15.22)
Operating profit before working capital changes		**7,915.06**	**5,443.87**
Adjustments for			
Change in Inventories		2,583.34	-
(Increase) in financial and other assets		(9,356.47)	(2,183.18)
(Decrease) in financial and other liabilities		(844.68)	(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		(49.78)	(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		2.38	60.00
Proceeds from monetization of property, plant and equipments		-	43,400.00
Capital advance		(1,020.41)	(88.24)
Investment made in equity shares		(23.00)	(155.50)
Sale of Investment in subsidiaries		-	330.84
Loans given to subsidiaries (net)		1,892.10	(33,278.20)
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	860.25
Proceeds from non-current borrowings		2,611.82	3,200.00
Repayment of non-current borrowings		(1,248.03)	(18,071.01)
Short-term borrowings (Net)		(1,227.65)	5,543.64
Unpaid Dividend transfer to IEPF A/c		(0.04)	-
Interest paid		(1,200.89)	(6,727.10)
Net cash flow from financing activities	**(C)**	**(1,049.79)**	**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**

CHATURVEDI & SHAH LLP CHARTERED ACCOUNTANTS MUMBAI

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 invetories has been considered as non cash items (Refer note no.44)

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/W100355

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Vijay Napawaliya
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

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2019

Savita Dalal
Company Secretary

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, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie 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 three to seven years. The assets' useful lives are reviewed at each financial year end.

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Trademark are amortised 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 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 measured at lower of cost and net realisable value. Inventory comprises of cost of land and incidental cost thereto.

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.

MUMBAI

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 (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.

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, 2016 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 form the Company's statement of financial position) when:

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

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 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.

MUMBAI
ACCOUNTANTS

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

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

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring 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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CHARTERED ACCOUNTANTS

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 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 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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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 temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset.

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

3.15 Earnings per Share

Basic earnings per share is computed using the net profit/(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:

(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

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

All other assets are classified as non-current.

A liability is classified as current when it is:

(a) Expected to be settled in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Due to be settled within twelve months after the reporting period, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

3.17 Fair value measurement

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

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

(a) In the principal market for the asset or liability, or

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

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

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

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

3.18 Off-setting financial Instrument

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

3.19 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 activites 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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(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/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

4.4 Impairment of financial assets

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

4.5 Impairment of non-financial assets

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

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

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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.

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

Arshiya Limited

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

5. Property, Plant and Equipment

(Rs. in Lakh)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Equipments	Computers	Leasehold Improvements	Total
Gross Carrying Value (at deemed cost)									
As at 31st March, 2017	77,439.24	42,099.06	3,411.84	736.59	48.96	1,691.47	70.01	33.37	1,25,530.54
Additions	59.02	-	-	-	-	30.76	-	-	89.78
Disposals	(9,337.96)	(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**	**48.96**	**1,017.58**	**70.01**	**33.37**	**96,611.19**
Additions	-	-	21.00	8.46	13.96	9.01	17.12	-	69.55
Disposals/Discarded	-	-	(1.35)	(116.17)	(15.28)	(38.17)	(43.00)	(33.37)	(247.34)
Transfer to Inventories	(19,089.31)	-	-	-	-	-	-	-	(19,089.31)
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	140.97	16.40	452.08	23.27	18.23	2,018.07
Depreciation for the year	-	999.65	304.05	124.84	13.09	320.41	8.67	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/Discarded	-	-	(0.31)	(60.07)	(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**	**-**	**73,858.36**
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**	**94,138.63**

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 42.59 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.13.96 Lakh.

5) 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.

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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**

CHATURVEDI & SHAH LLP * CHARTERED ACCOUNTANTS * MUMBAI

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				
7. 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) @	1,08,68,677	44,625.29	1,08,68,677	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	14.86
Arshiya Logistics Services Limited (Formerly known as Laxmipati Balaji Exim Trading Ltd.) (the face value Rs. 10 each)	16,00,000	155.50	16,00,000	155.50
Laxmipati Balaji Supply Chain Management Private Limited (the face value of Rs. 10 each)	50,000	5.00	-	-
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	-	-
Unrivalled 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		1,795.82		1,735.82
Arshiya Transport and Handling Limited		302.40		302.40
Arshiya Lifestyle Limited		1,981.96		498.49
Anomalous Infra Private Limited		1,091.83		-
Total (ii)		**6,985.45**		**4,346.45**
Total (i+ii)		**1,34,680.02**		**1,32,018.03**

@ As per debt covenents of the following Subsidiaries is required to pledge 100% of the shareholding in favor lenders however the Comapny has pledged following number equity shares only:

i) 31st March, 2019 - 70,59,038 (31st March 2018 - 79,46,624) equity shares in Arshiya Northern FTWZ Limited,
ii) 31st March, 2019 - 51,05,769 (31st March, 2018 - 1,35,86,659) equity shares in Arshiya Industrial & Distribution Hub Limited and
iii) 31st March, 2019 - 1,54,78,500 (31st March, 2018 - 3,87,32,491) equity shares in Arshiya Rail Infrastructure Limited

CHATURVEDI & SHAH LLP * CHARTERED ACCOUNTANTS * MUMBAI

Arshiya Limited

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

(Rs. in Lakh)

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. 56)	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. 56))	6,061.50	-
Total	**6,061.50**	**-**
10. Other Non- Current Assets		
Capital Advances		
Considered good	1,020.41	90.65
Considered doubtful	1,395.00	1,395.00
	2,415.41	**1,485.65**
Less: Provision for impairment	(1,395.00)	(1,395.00)
	1,020.41	**90.65**
Security Deposits	59.39	60.89
TDS Receivables/Taxes paid	2,240.54	2,122.27
Total	**3,320.34**	**2,273.81**
Current Assets		
11. Inventories		
Land	16,505.97	-
Total	**16,505.97**	**-**
Current Financial Assets		
12. Trade Receivables		
Considered good - Unsecured (Receivables from Related party (Refer Note No. 56))	814.64	764.60
Trade Receivables which have significant increase in credit risk	25.37	16.69
	840.01	**781.29**
Less: Provision for expected credit losses	(25.37)	(16.69)
Total	**814.64**	**764.60**
13. Cash and Cash Equivalents		
Balances with banks:		
- in current accounts	5.77	130.78
Cash on hand	0.09	4.91
Total	**5.86**	**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. 56)	30,327.14	33,279.99
Total	**30,327.14**	**33,279.99**

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

(Rs. in Lakh)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
16. Other Financial Assets		
Unbilled Revenue	2,500.00	390.41
Margin money with Lender*	170.00	170.00
Other recoverables	1,412.95	1,288.30
Total	**4,082.95**	**1,848.71**
* To be adjusted at time of final settlement		
17. Other Current Assets		
Advances to Suppliers	44.42	115.48
Other Advances	93.26	93.26
Prepaid expenses	60.36	54.73
Balances with Statutory, Government Authorities (Refer Note No 51)	1,935.96	1,956.17
Cash seized by Income Tax (Refer Note No 48)	-	100.00
Total	**2,134.00**	**2,319.64**

(Rs. in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
18. Equity Share Capital		
Authorised		
(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 - 22,82,16,776) 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	15,61,79,472	3,123.59
Add: Issued during the year	1,53,97,516	307.95	7,20,37,304	1,440.75
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	1,191.33
Less: Converted into equity shares during the year	(57,64,619)	(576.46)	(61,48,710)	(614.87)
Balance as at the end of the year	-	-	**57,64,619**	**576.46**

(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
Archana A Mittal	8,85,59,788	36.35%	8,85,59,288	38.80%
Ajay S Mittal	3,85,61,437	15.83%	3,70,60,937	16.24%
Edelweiss Asset Reconstruction Company Limited (through various trusts)	5,95,59,820	24.45%	4,56,62,304	20.01%

(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.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 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.

(Rs. in Lakh)

Particulars	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	-	18,766.71
Less: On issue of Equity Shares	-	(18,766.71)
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 0% Optionally Convertible Preference shares (OCRPS)		
Balances as at the beginning of the year	47,551.87	88,620.84
Less: On issue of Equity Shares	(47,551.87)	(41,068.97)
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
Reserve and Surplus		
(v) Securities Premium Account		
Balances as at the beginning of the year	1,74,858.67	79,617.43
Add: On issue of Equity Shares	58,213.49	95,278.86
Less: Share issue expenses/ Transaction cost	-	(37.62)
Balances as at the end of the year	**2,33,072.16**	**1,74,858.67**
(vi) General Reserve		
Balances as at the beginning and end of the year	940.18	940.18
(vii) Deficit in the Statement of Profit and Loss		
Balances as at the beginning of the year	(63,985.47)	(68,332.90)
Add: Profit/(Loss) for the year	(3,516.49)	3,895.66
Add: Other comprehensive income/(loss)	8.11	(2.69)
Add: Fair Value of Financial instruments	-	64.05
Add: Conditional Lease rent	-	390.41
Balances as at the end of the year	**(67,493.85)**	**(63,985.47)**
Total (i to vii)	**1,66,643.28**	**1,60,350.30**

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.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

(Rs. in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
Non-Current Liabilities		
20. Borrowings		
Secured		
(a) Term Loans		
From Banks	3,571.43	-
From Other Parties	56,686.25	58,497.26
(b) Vehicles Loan from bank	9.52	-
Liability Component of Compound Financial Instruments (OCRPS)	-	10,342.61
Total	60,267.20	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 Panvel assets of the Company except for the excluded properties under Lease Agreement dated 3rd 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).

(2) Rupee loan of Rs. 474.30 Lakh:

(a) Securities provided

(i) Second charge on movable and immovable Panvel assets of the Company except for the excluded properties under Lease Agreement dated 3rd 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 installment 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.

20.2 Rupee Term loans from Other Parties

(1) Rupee term loan of Rs. 59,513.25 Lakh (31st March, 2018 - Rs. 59,359.23 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 Distiripark 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 Panvel 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 from Others
FY 2017-18		5,671.09
FY 2021-22		14,001.46
FY 2022-23		40,404.50
Total		60,077.05

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

(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. 563.80 Lakh (31st March, 2018 - Rs. 717.82

(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 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. 2,018.65 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 @ 18% 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.

20.3 Vehicle loans from Bank

Vehicle loans are secured by way of hypothecation of vehicles. Rate of interest is @ 8.55% p.a. and repayment tenure in monthly instalment up to 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	221.96	-
Financial Liabilities at amortised cost		
Financial guarantees obligations	1,390.76	2,191.60
Total	1,612.72	2,191.60
22. Provisions		
Provision for employee benefits (Refer Note No.41)		
Gratuity	80.60	101.32
Leave encashment	38.33	49.70
Total	118.93	151.02

(Rs. in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
Current Financial Liabilities		
23. Borrowings		
Secured		
(a) Loan from Other Parties	9,024.05	8,474.05
Unsecured		
(a) Loans from Promoter Directors	160.11	1,937.76
(b) Inter Corporate Deposits	77.00	77.00
Total	9,261.16	10,488.81

CHATURVEDI & SHAH LLP
CHARTERED ACCOUNTANTS
MUMBAI

Arshiya Limited

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

(23.1) Loan from Other Parties

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

(i) 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.

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

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

(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 subsidiaries 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:

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

(Rs. in Lakh)

Particulars	As at 31st Mar, 2019	As at 31st Mar 2018
24. Trade Payables		
Micro and Small Enterprises (Refer Note No. 40)	37.88	0.89
Others	584.91	581.66
Total	**622.79**	**582.55**

(Rs. in Lakh)

Particulars	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	1,491.67
Current maturities of long term debts from other parties	14,341.09	13,675.60
Current maturities of vehicle loan	1.80	-
Interest accrued and due on borrowings	6,866.45	1,407.85
Interest accrued but not due on borrowings	4,674.69	1,892.26
Interest payable on delayed payments to MSMED creditors (Refer Note No. 40)	2.56	0.22
Unclaimed dividends	-	0.04
Deposit from Unitholders	401.30	385.68
Financial Guarantee Obligations	575.05	606.11
Payable for capital goods	265.92	1,137.29
Dues to employees	301.03	267.81
Payable for expenses	680.25	641.50
Total	**29,679.14**	**21,506.03**

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

(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. 178.98 Lakh (31st March, 2018 - Rs. 32.15 Lakh).

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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 Butibori at Nagpur, Maharashtra. The said loan carries interest @ 20% p.a.

(2) Loan of Rs. 2,000.00 Lakh (31st March, 2018 - Rs. 1,951.52 Lakh) (Refer Note No. 39)
(i) 'Secured by first and exclusive charge on land situated at Khurja, Bulandshahr, Uttar Pradesh.
(ii) 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)

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

25.3 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 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	1.38	-
Statutory Liabilities		
Statutory dues (Refer note below)	774.86	356.34
Interest on delayed payment of statutory dues	657.87	611.77
Total	**1,434.11**	**1,062.48**

Notes:

1) Statutory dues included Tax deducted at sources (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. 0.40 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	8.35	9.57
Total	**8.35**	**9.57**

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

Arshiya 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	-	6,899.36
Consideration on Lease of Land	7,167.87	0.46
Conditional Lease Rent	2,500.00	-
Business Conducting Fees (Refer Note No. 53)	3,351.11	972.91
Material Handling and other services	-	649.29
Income from Domestic Warehousing	121.00	20.00
Total	**13,139.98**	**8,542.02**
29. Other Income		
Bank fixed deposits	0.19	-
Interest income from others	7.40	1.38
Interest income on financial assets carried at amortised cost		
Loan to Subsidiaries	420.02	185.51
Other Non Operating Income		
Financial guarantee income	898.96	639.31
Foreign exchange differences (net)	-	15.22
Sundry balances written back (net)	206.27	175.85
Miscellaneous income	6.14	2.82
Gain on derecognised of Liability Component	653.17	-
Gain on disposal of Property, plant and equipment (net)	0.33	-
Total	**2,192.48**	**1,020.09**
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	1,625.32	1,394.29
Contribution to provident and other funds	50.04	30.90
Staff welfare expenses	44.92	31.42
Total	**1,720.28**	**1,456.61**
33. Finance Cost		
Interest expense on borrowings	10,810.67	13,259.46
Unwinding Interest on security deposits	-	226.36
Interest expense on MSMED vendors	2.56	0.22
Interest expense on statutory dues	88.09	214.39
Other borrowing costs	335.21	61.51
Total	**11,236.53**	**13,761.94**
34. Depreciation and Amortisation Expense		
Depreciation on Property, plant and equipment	1,149.49	1,775.61
Amortisation of intangible assets	332.73	316.06
Total	**1,482.22**	**2,091.67**

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

(Rs. in Lakh)

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	83.13	104.28
- Plant and Machinery	63.36	84.53
- Others	35.42	53.55
Insurance	11.30	9.06
Rates and taxes	12.65	4.94
Communication expenses	20.75	22.72
Travelling and conveyance expenses	53.17	95.39
Vehicle expenses	36.41	42.28
Printing and stationery	27.77	24.24
Legal and professional fees	130.90	146.45
Security charges	52.27	246.90
Auditor's remuneration:		
- Audit Fees	54.00	54.00
- Limited Review Fees	15.00	18.25
- Certification fees	2.20	1.75
Advertisement and Sales Business Promotion expenses	28.66	78.23
Allowance for doubtful debts	8.68	7.33
Bad debts	3.16	-
Foreign exchange differences (net)	12.81	-
Director sitting fees	2.65	5.75
Miscellaneous expenses	76.62	88.53
Driscarding/written off of Property, plant and equipment and Intangible assets	166.34	-
Total	**1,038.20**	**1,332.46**
36. Exceptional Items		
Settlement of claims	700.75	(2,001.74)
Gain on monetization of property, plant and equipment (Refer Note No 55)	-	(15,633.29)
Loss on sale of subsidiary (Refer Note No 54.2)	-	4,338.19
Total	**700.75**	**(13,296.84)**

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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
(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	2,268.60	2,321.79
(vi)	Import Continuity / Transshipment Bond	10,000.00	10,000.00
(vii)	Bond cum legal under taking	5,196.00	5,196.00
(viii)	Bank Guarantees for Maharashtra Pollution Control Board	15.00	-
(ix)	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. 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, 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.

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

(Rs. in Lakh)

Sr. No.	Description	As at 31st March 2019	As at 31st March 2018
a)	Principal amount due and remaining unpaid	38.13	0.89
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, 2016, along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e)	Interest accrued and remaining unpaid	2.56	0.22
f)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above ae actually paid to the micro and small enterprises.	-	-

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

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:

(Rs. in Lakh)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Employer's Contribution to Provident Fund	7.91	6.90
Employer's Contribution to Pension Scheme	17.97	15.69
Employer's Contribution to ESIC	0.47	1.02

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

(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 Lakh)

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	8.35	9.57
Non Current Provision as at the end of the year	38.33	49.70
Provision recognised in the Balance Sheet	46.68	59.27

(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 (2006-08) Ult	Indian Assured lives Mortality (2006-08) Ult
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	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Provision as at the beginning of the year	116.24	99.57
Interest cost	8.59	6.46
Current service cost	16.17	25.73
Benefits paid	(4.73)	(8.15)
Acquisition adjustments	(31.54)	-
Actuarial (gain)/loss on obligations	(8.11)	(7.37)
Provision as at the end of the year	96.62	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	1.10	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	16.02	14.92
IV. Actual return on plan assets		
Expected return on plan assets	1.10	1.03
Actuarial 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	96.62	116.24
Fair value of plan assets as at the end of the year	16.02	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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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)	(4.56)
Expected return on plan assets	-	1.03
Total remasurement recognised in OCI	(8.11)	(6.34)
IX. Balance Sheet reconciliation		
Opening net provision	101.32	84.64
Expenses recognised in Profit & Loss	23.66	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	80.60	101.32

(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.

41.2 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%	204.08
	-0.50%	194.55
Discount rate	+0.50%	194.59
	-0.50%	204.08
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, as 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. 50) 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.

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

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 lease during the year.

45 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 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 it's 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 Lakh 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 108 "Operating Segment", information has been provided along with the consolidated financial statements of the Group.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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 utilizing 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 99% 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. 3,351.11 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. 156,510.60 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 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, 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, it's 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/lump sum rent of Rs. 43,400 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 3rd 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.

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

Arshiya Limited

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

56 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 Laxmipati Balaji 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. 25th October, 2018)	India	100%	Nil
(x)	Arshiya Infrastructure Developers Private Limited (w.e.f. 9th January, 2019)	India	100%	Nil
(xi)	Laxmipati Balaji Supply Chain Management Limited (w.e.f 7th May, 2018)	India	100%	Nil
(xii)	Unrivalled Infrastructure Private Limited (w.e.f. 7th January, 2019)	India	100%	Nil
(xiii)	Mira 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)	Ascendas Panvel 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 Bairagra - Independent Director

Mr. Mukesh Kacker - Independent Director

Mr. Rishabh Shah - Independent Director

Prof. G. Raghuram - Independent Director (till 15th May, 2017)

Mr. Tara Sankar Bhattacharya - Independent Director (w.e.f. 24th May, 2018)

Mrs. Savita Dalal – 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

(Rs. in Lakh)

Nature of transactions	Name of the Party	31st March, 2019	31st March, 2018
Revenue from operations	Mira Supply Chain Management Private Limited	-	1,215.97
	Arshiya Logistics Services Limited	-	2,694.77
	Arshiya Lifestyle Limited	3,351.11	972.91
	Anomalous Infra Private Limited	7,001.49	-
Income billed to customer on behalf of the Subsidiary Company	Arshiya Lifestyle Limited	1,777.01	257.65
Advance Rent Income	Mira Supply Chain Management Private Limited	-	112.71

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

Arshiya Limited

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

Advance Finance Lease Income	Anomalous Infra Private Limited	2,336.62	-
Unwinded Interest Income on Loan to subsidiaries	Arshiya Rail Infrastructure Limited	63.70	56.88
	Arshiya Northern FTWZ Limited	20.06	17.91
	Arshiya Industrial & Distribution Hub Limited	11.60	10.36
	Arshiya Transport and Handling Limited	112.42	100.37
	Arshiya Lifestyle Limited	212.24	-
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	168.14	0.46
	Mira Supply Chain Management Private Limited	-	89.93
Unwinded Interest expenses on Security Deposit	Mira 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	41.95	566.71
	Arshiya Industrial & Distribution Hub Limited	101.95	418.25
	Arshiya Lifestyle Limited	615.65	-
	Arshiya Logistics Services Limited	-	(28.71)
Lease Rent Expenses	Arshiya Northern FTWZ Limited	33.76	8.44
Remuneration paid to Key Managerial Person	Mr. S. Maheshwari	203.68	185.15
	Ms. Savita Dalal	16.61	-
Director sitting fees	Mr. Ashishkumar Bairagra	1.15	2.00
	Mr. Mukesh Kacker	0.40	1.80
	Prof. G. Raghuram	-	0.20
	Mr. Rishabh Shah	0.40	1.75
	Mr. T S Bhattacharya	0.70	-
Loans and advances given	Arshiya Rail Infrastructure Limited	788.31	4,831.75
	Arshiya Northern FTWZ Limited	2,533.34	7,188.87
	Arshiya Industrial & Distribution Hub Limited	719.57	14,470.75
	Arshiya Technologies (India) Private Limited	0.70	1.88
	Arshiya Transport and Handling Limited	5.52	4.12
	Arshiya Lifestyle Limited	-	10,706.09
	Arshiya Logistics Services Limited	-	3,440.00
	Anomalous Infra Private Limited	0.39	-
	Unrivalled Infrastructure Private Limited	0.01	-
	Arshiya Infrastructure Developers Private Limited	0.01	-
	Arshiya Northern Projects Private Limited	0.28	-
	Laxmipati Balaji Supply Chain Management Limited	16.46	-
	Arshiya 3PL Services Private Limited	0.01	-
Loans and advances given repaid/adjusted	Arshiya Rail Infrastructure Limited	2,996.44	3,751.60
	Arshiya Northern FTWZ Limited	280.19	337.26
	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	3,128.96	725.10
	Arshiya Logistics Services Limited	-	3,361.30
	Laxmipati Balaji Supply Chain Management Limited	6.25	-
Loans and advances taken	Mr. Ajay S Mittal	788.46	3,064.09
	Mrs. Archana A Mittal	1,116.14	4,260.42
Loans and advances taken repaid/adjusted*	Mr. Ajay S Mittal	1,153.32	2,594.62
	Mrs. Archana A Mittal	2,528.94	2,860.31

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

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	Anomalous Infra Private Limited	11.00	-
	Laxmipati Balaji Supply Chain Management Limited	5.00	-
	Arshiya Infrastructure Developers Private Limited	1.00	-
	Arshiya Northern Projects Private Limited	5.00	-
	Unrivalled Infrastructure Private Limited	1.00	-
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
Investments purchased from	Mrs. Archana A Mittal	-	0.49
Investments sold to	Arshiya Industrial & Distribution Hub Limited	-	330.83
Security Deposit received	Mira Supply Chain Management Private Limited	-	11,500.00
Security Deposit repaid/adjusted	Mira Supply Chain Management Private Limited	-	17,226.91
Corporate guarantees given	Arshiya Lifestyle Limited	241.87	31,316.02
Corporate guarantees reduced	Arshiya Lifestyle Limited	4,659.61	-
Corporate guarantees received	Arshiya Rail Infrastructure Limited	550.00	-
	Arshiya Northern FTWZ Limited		-

Closing Balances (Rs. in Lakh)

Nature	Related Party	As at 31st March, 2019	As at 31st March, 2018
Loans and advances given	Arshiya Rail Infrastructure Limited	304.38	2,029.26
	Arshiya Northern FTWZ Limited	9,900.62	7,585.45
	Arshiya Industrial & Distribution Hub Limited	15,202.12	14,471.17
	Arshiya Transport and Handling Limited	1,054.68	941.89
	Arshiya Technologies (India) Private Limited	2.40	2.70
	Arshiya Lifestyle Limited	5,584.17	9,980.99
	Anomalous Infra Private Limited	0.39	-
	Unrivalled Infrastructure Private Limited	0.01	-
	Arshiya Infrastructure Developers Private Limited	0.01	-
	Arshiya Northern Projects Private Limited	0.28	-
	Laxmipati Balaji Supply Chain Management Limited	10.21	-
	Arshiya 3PL Services Private Limited	0.01	-
Trade receivables	Arshiya Logistics Services Limited	-	288.87
	Arshiya Lifestyle Limited	553.40	104.81
	Anomalous Infra Private Limited	6,062.99	-
Trade Payables	Arshiya Northern FTWZ Limited	-	8.27
Loans taken	Mr. Ajay S Mittal	104.89	469.75
	Mrs. Archana A Mittal	55.22	1,468.01
Share warrants	Mr. Ajay S Mittal	-	860.25
Personal guarantees taken	Mr. Ajay S Mittal	1,96,920.00	1,86,370.00
	Mrs. Archana A Mittal	1,96,370.00	1,86,370.00
Equity Shares (excluding share premium)	Mr. S. Maheshwari	20.00	20.00

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Financial Guarantee Obligations	Arshiya Rail Infrastructure Limited	854.69	1,041.15
	Arshiya Industrial & Distribution Hub Limited	536.06	665.90
	Arshiya Northern FTWZ Limited	241.81	368.60
	Arshiya Lifestyle Limited	333.25	498.03
Investment in subsidiaries (Refer Note No.7)	Arshiya Industrial & Distribution Hub Limited	44,499.72	44,499.72
	Arshiya Northern FTWZ Limited	44,625.29	44,625.29
	Arshiya Rail Infrastructure Limited	38,369.21	38,369.21
	Arshiya Transport and Handling Limited	5.00	5.00
	Arshiya Technologies (India) Private Limited	2.00	2.00
	Arshiya Lifestyle Limited	14.85	14.86
	Arshiya Logistics Services Limited	155.50	155.50
	Laxmipati Balaji Supply Chain Management Private Limited	5.00	-
	Anomalous Infra Private Limited	11.00	-
	Arshiya Northern Projects Private Limited	5.00	-
	Arshiya Infrastructure Developers Private Limited	1.00	-
	Unrivalled Infrastructure Private Limited	1.00	-
Deemed Equity (Refer Note No. 7)	Arshiya Industrial & Distribution Hub Limited	1,116.48	1,112.78
	Arshiya Northern FTWZ Limited	696.96	696.96
	Arshiya Rail Infrastructure Limited	1,795.82	1,735.82
	Arshiya Transport and Handling Limited	302.40	302.40
	Arshiya Lifestyle Limited	1,981.96	498.49
	Anomalous Infra Private Limited	1,091.83	-
Corporate guarantees/securities issued to	Arshiya Northern FTWZ Limited	28,450.00	28,450.00
	Arshiya Rail Infrastructure Limited	51,200.19	48,200.19
	Arshiya Industrial & Distribution Hub Limited	29,600.00	29,600.00
	Arshiya Lifestyle Limited	26,130.94	30,548.68
Corporate guarantees/securities received from	Arshiya Rail Infrastructure Limited	550.00	-
	Arshiya Northern FTWZ Limited		-

57 Loans and Advances in the nature of Loans to Subsidiaries (Pursuant to the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015)

Loans and Advances to Subsidiaries

(Rs. in Lakh)

Name of the Subsidiary	Year	Amount outstanding as on March 31,	Maximum amount outstanding during the year
Arshiya Rail Infrastructure Limited	2019	304.38	2,128.49
	2018	2,029.26	5,434.21
Arshiya Transport and Handling Limited	2019	1,054.68	1,059.58
	2018	941.89	1,054.27
Arshiya Industrial & Distribution Hub Limited	2019	15,202.12	15,202.13
	2018	14,471.17	14,482.75
Arshiya Northern FTWZ Limited	2019	9,900.62	9,900.62
	2018	7,585.45	7,653.69
Arshiya Technologies (India) Private Limited	2019	2.40	3.40
	2018	2.70	2.66
Arshiya Logistics Services Limited	2019	-	-
	2018	-	853.39
Arshiya Lifestyle Limited	2019	5,584.17	9,980.99
	2018	9,980.99	10,545.51
Anomalous Infra Private Limited	2019	0.39	0.39
	2018	-	-
Unrivalled Infrastructure Private Limited	2019	0.01	0.01
	2018	-	-
Arshiya Infrastructure Developers Private Limited	2019	0.01	0.01
	2018	-	-
Arshiya Northern Projects Private Limited	2019	0.28	0.28
	2018	-	-
Laxmipati Balaji Supply Chain Management Limited	2019	10.21	10.21
	2018	-	-
Arshiya 3PL Services Private Limited	2019	0.01	0.01
	2018	-	-
Total	2019	**32,059.28**	
	2018	**35,011.46**	

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)	-	946.32
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	18,31,20,902
Add: Adjustment on account of Share Warrants	-	5,91,781
Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	-	54,82,856
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	2.00
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**

(Rs. in Lakh)

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	984.75	4,011.34	A.Y. 2024-2025
2017-2018	45,539.91	3,826.58	A.Y. 2025-2026
2018-2019	13,483.44	559.56	A.Y. 2026-2027
Total	**60,008.10**	**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:

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Property, plant and equipment	5,919.01	6,460.79
Unabsorbed depreciation	(3,619.66)	(3,557.17)
Expenses allowable on payments under section 43B and 40 (a) (ia)	(3,471.31)	(508.83)
Unabsorbed losses	(16,033.42)	(17,805.69)
Financial Instruments	15,922.08	(3,173.97)
Total Deferred tax assets	**(1,283.30)**	**(18,584.87)**

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. 1,403.22 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.

CHATURVEDI & SHAH LLP * CHARTERED ACCOUNTANTS * MUMBAI

61 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 and subsidiaries's operations. The Company's financial assets comprises of investment, loans, trade and other receivables, cash and deposits that arises directly from its operations.

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, 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 continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Credit risk is high as only few customers' account for majority of the revenue in the year presented. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

(b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its 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 Lakh)**

Particulars	less than 1 year	1 to 5 years	More than 5 year
31st March, 2019			
Financial liabilities			
Borrowings	25,173.05	61,118.62	-
Trade payables	622.79	-	-
Creditors for Capital Goods	265.92	-	-
Financial guarantee obligations	575.05	1,390.76	-
Other financial liabilities	12,926.28	221.96	-
Total	**39,563.09**	**62,731.34**	**-**
31st March, 2018			
Financial liabilities			
Borrowings	25,679.56	59,630.96	-
OCRPS (Equity and Liability Component)	-	-	57,646.19
Trade payables	582.55	-	-
Creditors for Capital Goods	1,137.29	-	-
Financial guarantee obligations	606.11	2,191.60	
Other financial liabilities	4,595.36	-	-
Total	**32,600.87**	**61,822.56**	**57,646.19**

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

(c) Market Risk

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

1 Foreign currency risk

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

1.1 Foreign currency risk exposure

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

Particulars	Financial Year Ended	Foreign currency amount (Amount in Lakh)	Equivalent amount in INR (Rs. in Lakh)
Trade Receivables			
USD	31st March, 2019	3.15	218.17
	31st March, 2018	5.32	341.98
EUR	31st March, 2019	0.02	1.48
	31st March, 2018	0.05	3.89
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.

(Rs. in Lakh)

Particulars	Increase/(decrease) in profit before tax As at 31st March, 2019	As at 31st March, 2018
FX rate - increase by 1% on closing rate of reporting date	(1.59)	(0.06)
FX rate - (decrease) by 1% on closing rate of reporting date	1.59	0.06

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, since 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.

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Variable rate borrowing	1,472.84	1,491.67

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.

(Rs. in Lakh)

Particulars	Increase/(decrease) in profit before tax 31st March, 2019	31st March, 2018
50 bps increase the profit before tax by	(7.36)	(7.46)
50 bps decrease the profit before tax by	7.36	7.46

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

62 **Fair Value Measurements**

(i) **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	764.60	6,876.14	764.60
Loans	32,059.28	35,011.46	32,059.28	35,011.46
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	1,848.71	4,082.95	1,848.71
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	12,746.94	4,209.68	12,746.94	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:

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

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

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

(d) 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 measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard.

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

(b) **Level 2** - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which 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.

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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

63 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 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 (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.

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total Debts	97,203.35	97,796.06
Total Equity	1,71,515.57	1,64,914.64
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.

64 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:

(Rs. in Lakh)

Geography	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:

(Rs. in Lakh)

Geography	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Services transferred over time	5,972.11	8,541.56
Consideration on Lease of Land	7,167.87	0.46
Total	**13,139.98**	**8,542.02**

Reconciliation of Revenue from Operation with contract price:

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Contract Price	14,916.99	8,799.67
Reduction towards credit note issued to subsidiary	1,777.01	257.65
Revenue from Operations	**13,139.98**	**8,542.02**

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 Panvel storage revenue, cash flow cover, collections within 90 days or mutually agreed. The management of the Company expects that 35% of the unsatisfied 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.

(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 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 results 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 Financials assets	
Unbilled 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/ interest amounting to Rs. 1,303.42 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 interest/penal 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. 12,458.52 lakh, Rs. 1,61,263.30 lakh and Rs. 104.43 lakh respectively. Restated figures of finance cost, other equity and Interest accrued and due on Borrowings are Rs.13,761.94 lakh, Rs. 1,59,959.88 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/W100355

Vijay Napawaliya
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

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP Accounts & Finance

Place: Mumbai
Date: 27th May, 2019

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	4,124.96	5,036.75
(e) Intangible Assets Under Development		82.21	-
(f) Financial Assets			
(i) Other Financial Assets	9	1,790.02	1,732.58
(g) Other Non-Current Assets	10	6,212.59	4,822.26
		2,70,464.57	**2,93,987.95**
Current assets			
(a) Inventories	11	16,505.97	15.66
(b) Financial Assets			
(i) Trade Receivables	12	4,266.17	2,742.67
(ii) Cash and Cash Equivalents	13	990.56	1,285.84
(iii) Bank Balances Other than (ii) above	14	401.38	498.54
(iv) Loan	15	325.12	-
(v) Other Financial Assets	16	8,876.64	12,804.30
(c) Other Current Assets	17	3,950.30	4,289.67
		35,316.14	**21,636.68**
Total Assets		**3,05,780.71**	**3,15,624.63**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	18	4,872.29	4,564.34
(b) Other Equity	19	48,593.46	66,937.58
		53,465.75	**71,501.92**
Equity Component of 0% Optionally Convertible Redeemable Preference shares (OCRPS) issued by subsidiary held outside Group		519.09	519.09
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	1,26,152.68	1,40,059.93
(ii) Other Financial Liabilities	21	612.11	2,300.76
(b) Provisions	22	273.73	203.82
(c) Other Non-Current Liabilities	23	2,335.87	1,852.89
		1,29,374.39	**1,44,417.40**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	12,524.46	13,753.15
(ii) Trade Payables	25		
Micro and small enterprises		84.90	18.11
Others		2,494.36	1,779.68
(iii) Other Financial Liabilities	26	1,02,861.88	79,930.84
(b) Other Current Liabilities	27	4,430.03	3,682.01
(c) Provisions	28	25.85	22.43
		1,22,421.48	**99,186.22**
Total Equity and Liabilities		**3,05,780.71**	**3,15,624.63**

Notes to the financial statements 1 to 71

As per our report of even date

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

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 27th May, 2019

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer
and Group President

Savita Dalal
Company Secretary

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	29	28,937.38	25,906.69
Other income	30	2,460.09	1,665.19
Total Income (I)		**31,397.47**	**27,571.88**
EXPENSES			
Material handling, value optimisation services and other charges		1,047.75	1,211.35
Freight expenses	31	10,954.30	11,668.31
Terminal expenses		357.55	304.26
Other operating expenses		756.02	374.90
Warehouse storage charges		5,484.67	902.54
Employee benefits expense	32	3,806.85	3,634.54
Finance costs	33	27,559.39	31,598.39
Depreciation and amortization expense	34	9,419.56	10,171.76
Other expenses	35	3,929.29	4,047.50
Total Expenses (II)		**63,315.38**	**63,913.55**
Profit/(loss) before exceptional items and tax (I-II)		**(31,917.91)**	**(36,341.67)**
Exceptional Items (net)	36	(5,167.04)	(39,473.20)
Profit/(loss) before tax		**(26,750.87)**	**3,131.53**
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		(28.57)	(9.67)
Other Comprehensive Income for the year		**(28.57)**	**(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		-	-
		(26,757.85)	**3,104.11**
Other comprehensive income for the year attributable to:			
Equity holders of the parent		(28.57)	(9.67)
Non-controlling interests		-	-
		(28.57)	**(9.67)**
Total comprehensive income for the year attributable to:			
Equity holders of the parent		(26,786.42)	3,094.44
Non-controlling interests		-	-
		(26,786.42)	**3,094.44**
Earning per share (face value of Rs. 2 each)	62		
Basic 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 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer and Group President

Savita Dalal
Company Secretary

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	
As at 31st March, 2017	3,123.59
Issue of Equity Shares	1,440.75
As at 31st March, 2018	**4,564.34**
Issue of Equity Shares	307.95
As at 31st March, 2019	**4,872.29**

B. Other Equity (Refer Note No. 19)

(Rs. in Lakh)

Particulars	Share application money pending allotment	Other Reserve				Reserves and Surplus			Total
		Money received against share warrants	Equity Component of 0% Optionally Convertible Preference shares (OCRPS)	Capital Reserve	Amalgamation Reserve	Securities Premium Account	General Reserve	Retained Earnings	
Balances as on 31st March, 2017	**18,766.71**	**-**	**88,620.84**	**1.58**	**124.80**	**79,617.43**	**940.18**	**(1,59,750.24)**	**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)	-	(41,068.97)	-	-	95,278.86	-	-	35,443.18
Money received against share warrants		860.25	-	-	-	-	-	-	860.25
Transaction costs on issue of equity shares	-	-	-	-	-	(37.62)	-	-	(37.62)
Others (net)	-	-	-	-	-	-	-	(1,134.38)	(1,134.38)
Conditional Lease rent								390.41	390.41
Balances as at 31st March, 2018	**-**	**860.25**	**47,551.87**	**1.58**	**124.80**	**1,74,858.67**	**940.18**	**(1,57,399.77)**	**66,937.58**
Profit/(loss) for the year	-	-	-	-	-	-	-	(26,757.85)	(26,757.85)
Other comprehensive income	-	-	-	-	-	-	-	(28.57)	(28.57)
Total comprehensive income for the year	-	-	-	-	-	-	-	**(26,786.42)**	**(26,786.42)**
Money received against share warrants	-	15.00	-	-	-	-	-	-	15.00
On issue of equity shares	-	(875.25)	(47,551.87)	-	-	58,213.49	-	-	9,786.37
Others (net)	-	-	-	-	-	-	-	(1,359.07)	(1,359.07)
Balances as at 31st March, 2019	**-**	**-**	**-**	**1.58**	**124.80**	**2,33,072.16**	**940.18**	**(1,85,545.26)**	**48,593.46**

Notes to the financial statements 1 to 71

As per our report of even date

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

Vijay Napawaliya
Partner
Membership Number: 10985[illegible]

Place: Mumbai
Date: 27th May, 2019

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer
and Group President

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP - Accounts & Finance

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		**(26,750.87)**	**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		(0.03)	515.64
(Gain) on monetization of Property, plant and equipment (Refer Note No. 59)		-	(15,633.29)
Provision for doubtful debts/Expected credit loss		112.65	(52.12)
Excess provision written back		-	(463.14)
Reconciliation of loan accounts (net)		-	(562.39)
Settlement of claims		(5,167.04)	(19,478.47)
Depreciation and amortization expense		9,419.56	10,171.76
Interest expense		27,559.39	31,598.39
Government grant income		(365.49)	(365.49)
Financial guarantee income		(227.88)	(2.57)
Financial assets carried at amortised cost		(193.06)	-
Gain on derecognised of Liability Component		(653.17)	-
Interest income		(39.72)	(54.23)
Dividend income		-	(0.60)
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
Derease/(Increase) in financial and other assets		1,058.89	(16,518.65)
Decrease in financial and other liabilities		(2,152.32)	(5,280.32)
Cash generated from operations		**1,940.58**	**(13,450.53)**
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)		-	15,268.39
Money received against share warrants		15.00	860.25
Proceeds from non-current borrowings		5,571.82	3,200.00
Repayment of non-current borrowings		(2,550.04)	(36,864.72)
Short-term borrowings (net)		(1,228.69)	6,755.45
Unpaid Dividend transfer to IEPF A/c		(0.04)	-
Interest paid		(1,697.30)	(10,993.44)
Net cash flow from financing activities	**(C)**	**110.75**	**(21,774.07)**
Net (decrease)/increase in cash and cash equivalents (A + B + C)		**(392.44)**	**932.16**
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**

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Arshiya Limited
Consolidated 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	1,76,462.68	13,753.15
Less: Transaction cost	714.67	-
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	(1,228.69)
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 Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

Vijay Napawaliya
Partner
Membership Number: 109859

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer
and Group President

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP - Accounts & Finance

Place: Mumbai
Date: 27th May, 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.

CHATURVEDI & SHAH LLP * CHARTERED ACCOUNTANTS * MUMBAI

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)	
	Direct Subsidiaries:		**31st March, 2019**	**31st March, 2018**
(i)	Arshiya Rail Infrastructure Limited (ARIL)	India	100%	100%
(ii)	Arshiya Northern FTWZ Limited (ANFL)	India	100%	100%
(iii)	Arshiya Industrial & Distribution Hub Limited (AIDHL)	India	100%	100%
(iv)	Arshiya Lifestyle Limited (ALL)	India	100%	100%
(v)	Arshiya Logistics Services Limited (formerly known as Laxmipati 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 (ATIPL)	India	100%	100%
(viii)	Laxmipati Balaji Supply Chain Management Private Limited (LBSCM) (w.e.f 7th 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)	Unrivalled 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)	Mira 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 3PL Services Private Limited (w.e.f. 27th August, 2018)	India	100%	Nil
	Held through Arshiya Rail Infrastructure Limited:			
(xv)	Ascendas Panvel FTWZ Limited (formerly known as Arshiya Rail Siding and Infrastructure Limited) (APFL) (up to 3rd February, 2018)	India	Nil	Nil

4 Consolidation procedure:

(a) 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.

(b) 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.

(c) Intra-Group balances and transactions, and any unrealized income and expenses arising from intra Group transactions, are eliminated in preparing the consolidated financial statements.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

(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 recognized 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.

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 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.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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 lease. 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 as 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).

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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 form 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.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

(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 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 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.

CHATURVEDI & SHAH LLP * CHARTERED ACCOUNTANTS * MUMBAI

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 temporarily 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.

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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 rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the 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 108, 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 segregated 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:

(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.

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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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 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.

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-cancellable portion of leasing arrangement.

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(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.

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

Arshiya Limited

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

7. Property, Plant and Equipment

(Rs. in Lakh)

Particulars	Freehold Land	Buildings	Railway Terminal	Plant and Equipments	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	38,595.29	1,852.06	97.07	2,390.81	240.86	33.37	3,25,535.25
Additions	4,460.81	-	49.60	40.92	-	-	37.74	-	-	4,589.07
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**	**3,00,408.62**
Additions	2,583.34	608.20	55.03	62.37	22.11	13.96	19.97	18.58	161.15	3,544.71
Disposals	-	-	-	(1.35)	(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**	**1,704.73**	**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	936.75	85.55	18.23	10,085.99
Depreciation for the year	-	3,696.23	1,157.25	3,791.05	276.55	20.84	432.25	70.80	4.90	9,449.87
Disposals	-	(539.43)	-	(298.41)	(266.57)	-	(394.72)	(5.30)	-	(1,504.43)
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)	(60.07)	(19.55)	(19.18)	(21.93)	(23.13)	(144.17)
As at 31st March, 2019	-	**10,306.31**	**3,471.71**	**10,970.59**	**391.61**	**41.94**	**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**	**590.47**	**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.

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

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

8. Intangible Assets

(Rs. in Lakh)

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	249.84	721.89
Deductions	-	(207.89)	-	(207.89)
As at 31st March, 2018	**0.37**	**712.30**	**499.84**	**1,212.51**
Amortisation for the year	-	604.57	249.84	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**	**5,036.75**

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

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.744.85 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**	-

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

(Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
16. Other Financial Assets		
Security deposits	3,251.26	9,418.61
Unbilled revenue	2,508.27	390.41
Margin money with Lender*	170.00	170.00
Interest accrued on fixed deposits	5.45	-
Other recoverables	2,941.66	2,825.28
Total	8,876.64	12,804.30
* To be adjusted at time of final settlement		
17. Other Current Assets		
Advances to suppliers	84.85	290.22
Advances to employees	2.87	16.58
Other advances	146.04	30.05
Prepaid expenses	350.00	315.10
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	3,950.30	4,289.67

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
18. Share Capital		
Authorised		
(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 - 22,82,16,776) 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 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	22,82,16,776	4,564.34	15,61,79,472	3,123.59
Add: Issued during the year	1,53,97,516	307.95	7,20,37,304	1,440.75
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	1,191.33
Less: Converted into equity shares during the year	(57,64,619)	(576.46)	(61,48,710)	(614.87)
Balance as at the end of the year	-	-	57,64,619	576.46

CHATURVEDI & SHAH LLP CHARTERED ACCOUNTANTS MUMBAI

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	36.35%	8,85,59,288	38.80%
Ajay S Mittal	3,85,61,437	15.83%	3,70,60,937	16.24%
Edelweiss Asset Reconstruction Company Limited (through various trusts)	5,95,59,820	24.45%	4,56,62,304	20.01%

(d) In Previous year ended 31st March, 2018 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 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 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.

(Rs. in Lakh)

Particulars	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	-	18,766.71
Less: On issue of Equity Shares	-	(18,766.71)
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 0% Optionally Convertible Redeemable Preference shares (OCRPS)		
Balances as at the beginning of the year	47,551.87	88,620.84
Less: On issue of Equity Shares	(47,551.87)	(41,068.97)
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	1,74,858.67	79,617.43
Add: On issue of Equity Shares	58,213.49	95,278.86
Less: Share issue expenses/ Transaction cost	-	(37.62)
Balances as at the end of the year	**2,33,072.16**	**1,74,858.67**
(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	(26,757.85)	3,104.11
Less: Other comprehensive loss	(28.57)	(9.67)
Less: Others (net)	(1,359.07)	(1,134.38)
Add: Conditional Lease rent	-	390.41
Balances as at the end of the year	**(1,85,545.26)**	**(1,57,399.77)**
Total (i to viii)	**48,593.46**	**66,937.58**

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.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

(d) Retained Earning:
Retained Earnings are the profit/(loss) of the Group earned till date net of appropriations.

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2017
Non-Current Liabilities		
20. Borrowings		
Secured		
(a) Term Loans		
From Banks (Refer Note No. 20.1)	3,571.43	-
From Other Parties (Refer Note No. 20.2)	1,21,809.11	1,29,036.41
(b) Vehicles Loan from bank	9.52	-
Liability Component of Compound Financial Instruments (OCRPS)	762.62	11,023.52
Total	**1,26,152.68**	**1,40,059.93**

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. 3,193.29 Lakh (31st March, 2018 - Rs. 3,189.79 Lakh):

(a) Details of security

(i) Second charge on movable and immovable Panvel assets of the Parent Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

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

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

(2) Rupee term loan of Rs. 474.30 Lakh:

(a) Details of security

(i) Second charge on movable and immovable Panvel assets of the Parent Company except for the excluded properties under Lease Agreement dated 3rd February, 2018

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

(iii) 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 installment commencing from the date of first disbursement i.e. 31st August, 2018.

(d) 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. 59,513.25 Lakh (31st March, 2018 - Rs. 59,359.23 Lakh):

(a) Security provided:

(i) 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 Distiripark Project, Nagpur project and Rail project on pari passu basis.

(ii) 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.

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

(iii) first pari passu charge by way of hypothecation on the Panvel 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 2021-22	14,001.46
FY 2022-23	40,404.50
Total	**60,077.05**

(d) 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).

(e) 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 13 structured quarterly installments commencing from 31st January, 2018.

(c) The Parent Company has been in default for the repayment of principal amount of Rs. 670 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 Lakh).

(3) Rupee term loan of Rs. 2,018.65 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 @ 18% 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.

20.2.2 ARIL

(1) Rupee term loan of Rs. 33,647.31 Lakh (31st March, 2018 - Rs. 33,502.36 Lakh):

(a) Securities provided

(i) First charge on all movable assets (including rakes, 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 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:
Rate of Interest is @ 10% p.a.compounded quarterly.

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

(c) Terms of Repayment:- (Rs. in Lakh)

Year	Loan from Banks
FY 2019-2020	1,744.64
FY 2020-2021	6,139.19
FY 2021-2022	2,276.51
FY 2022-2023	23,954.16
Total	**34,114.50**

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 467.19 Lakh (31st March, 2018 - Rs. 612.14 Lakh).

20.2.3 ANFL

(1) Rupee term loan from Other Parties of Rs. 10,627.10 Lakh (31st March, 2017 - Rs. 10,447.22 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 licenses, permits, approvals, consents and insurance policies.

(iii) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance under any project agreement or contract in favour of 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 @ 10% p.a. compounded quarterly.

(c) Terms of Repayment:- (Rs. in Lakh)

Year	Loan from Banks
FY 2019-2020	2,113.15
FY 2020-2021	323.92
FY 2021-2022	3,385.55
FY 2022-2023	5,323.63
Total	**11,146.25**

(d) The amortised cost disclosed above is net off incidental cost of borrowings aggregating of Rs. 519.15 Lakh (31st March, 2018 - Rs. 699.03 Lakh).

20.2.4 AIDHL

(1) Rupee term loan from Other Parties of Rs. 26,591.94 Lakh (31st March, 2018 - Rs. 26,589.56 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	1,885.69
FY 2020-2021	4,034.74
FY 2021-2022	2,209.30
FY 2022-2023	18,470.27
Total	**26,600.00**

(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 Bank

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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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	-	1,718.36
Financial guarantees obligations	-	224.03
Interest accrued but not due on borrowings	221.96	-
Advance warehouse rent	12.44	
Total	**612.11**	**2,300.76**
22. Provisions		
Provision for employee benefits (Refer Note No.40)		
Gratuity	171.95	123.76
Leave encashment	101.78	80.06
Total	**273.73**	**203.82**
23. Other Non-Current Liabilities		
Lease equalisation reserve	703.55	129.20
Government grants	1,632.32	1,723.69
Total	**2,335.87**	**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)	263.30	263.34
(b) Loan from Other Parties (Refer Note No. 24.2)	12,024.05	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. 263.30 Lakh (31st March, 2018 - Rs. 263.34 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 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 of interest on working capital is @ 14% p.a.

(c) ANFL has been in continuing default for the repayment of principal amount of Rs. 263.30 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: @ 18% 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).

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

(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 Parnet Company.
- The above loans are secured by corporate guarantees of the two subsidiary Companies i.e. Arshiya Rail Infrastructure Limited and Arshiya Northern FTWZ 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 @ 18% 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

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

24.4.2 ALL

Intercorporate Deposit of Rs. Nil (31st March, 2018 - Rs. 1 Lakh) is interest free and repayable on demand.

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
25. Trade Payables		
Micro and small enterprises (Refer Note No.39)	84.90	18.11
Others	2,494.36	1,779.68
Total	**2,579.26**	**1,797.79**

(Rs. in Lakh)

Particulars	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	38,978.24	27,947.92
Interest accrued but not due on borrowings	10,411.84	4,569.33
Interest payable on delayed payments to MSMED creditors (Refer Note No.39)	2.56	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	8,422.54
Dues to employees (including full and final settlement)	710.31	474.12
Payable for expenses	979.36	1,145.00
Other Payables	-	30.76
Total	**1,02,861.88**	**79,930.84**

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

26.1 Rupee Term Loan from Banks:

26.1.1 Parent Company

(1) Rupee Term loan - Rs. 1,472.84 Lakh (31st March, 2018 - 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 recalled loan of Rs. 1,472.84 Lakh (31st March, 2018 - Rs.1,491.67 Lakh) and interest (including penal interest) of Rs. 178.98 Lakh (31st March, 2018 - Rs. 32.15 Lakh).

26.1.2 ARIL

(1) Rupee Term loan from Banks of Rs. 6,910.60 Lakh (31st March, 2018 - Rs. 8,931.30 Lakh):

(a) Securities provided

(i) First charge on all movable assets (including rakes, 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	3,695.60
FY 2018-2019*	2,840.00
Total	**6,910.60**

* 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	3,695.60
FY 2018-2019	2,840.00
Total	**6,910.60**

The above loan has been recalled by Banks.

26.1.3 ANFL

(1) Rupee Term loans - Rs. 12,104.18 Lakh (31st March, 2018 - Rs. 12,104.18 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, 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 40,52,778 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	1,680.76
FY 2015-2016	8,408.97
Total	**12,104.18**

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

(d) The Banks 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. 11,638.50 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	1,680.76
FY 2015-2016	8,408.97
Total	**12,104.18**

(26.2) Term loans from Other Parties

26.2.1 Parent Company

(1) Loan of Rs. 5,000.00 Lakh (31st March, 2018 - Rs. 5,000.00 Lakh) (Refer Note No. 46)
Secured by first and exclusive charge on land situated at Village Butibori at Nagpur, Maharashtra. The said loan carries interest @ 20% p.a.

(2) Loan of Rs. 2,000.00 Lakh (31st March, 2018 - Rs. 1,951.52 Lakh) (Refer Note No. 45)
(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).

26.2.2 ARIL
(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 ARIL.
(ii) First pari passu charge on all movable and immovable assets of ARIL.
(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.

26.2.2 ANFL

(1) Loan of Rupees 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 1.88 acres is to be registered.

(b) Terms of Interest rate:
Rate of interest is @ 11% p.a.

(26.3) 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	3,038.40	-	3,038.40
FY 2014-2015	2,706.46	-	2,706.46
FY 2015-2016	3,123.67	-	3,123.67
FY 2016-2017	3,628.35	-	3,628.35
FY 2017-2018	4,406.91	3,737.82	8,144.73
FY 2018-2019	7,015.01	11,321.62	18,336.63
Total	**23,918.80**	**15,059.44**	**38,978.24**

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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
27. Other Current Liabilities		
Advance received from Customers	333.50	-
Government Grants	365.49	639.61
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	1,608.18	1,360.85
Total	**4,430.03**	**3,682.01**

Notes:

(1) Statutory dues included Tax deducted at sources (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	1,723.69
Current liabilities	365.49	639.61

(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**

CHATURVEDI & SHAH LLP * CHARTERED ACCOUNTANTS * MUMBAI

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	8,422.96
Conditional Lease rent	2,500.00	-
Road freight income	2,506.21	1,906.23
Material handling and other services	2,864.45	815.18
Terminal income	233.63	175.40
Domestic warehousing income	121.00	20.00
Finance lease income	3.00	-
Other operating income	10.55	2,192.69
Total	**28,937.38**	**25,906.69**
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	193.06	-
Foreign exchange difference (net)	-	105.30
Provision for doubtful debts written back	-	109.61
Excess provision written back	-	463.14
Sundry balance written back	931.35	452.89
Gain on derecognised of Liability Component	653.17	-
Gain on disposal of Property, plant and equipment	0.03	-
Miscellaneous income	15.78	25.29
Total	**2,460.09**	**1,665.19**
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	3,568.32	3,435.33
Contribution to provident and other funds	102.07	93.09
Staff welfare expenses	136.46	106.12
Total	**3,806.85**	**3,634.54**

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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	30,647.03
Interest expense on statutory dues	315.67	707.04
Unwinded interest expense on security deposits	7.93	156.48
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	84.07
Total	**27,559.39**	**31,598.39**
34. Depreciation and Amortisation Expense		
Depreciation on property, plant and equipment	8,565.15	9,449.87
Amortisation on intangible assets	854.41	721.89
Total	**9,419.56**	**10,171.76**
35. Other Expenses		
Electricity charges	562.86	325.80
Rent	553.88	497.85
Repairs and maintenance:		
Building	160.77	809.46
Plant and Machinery	74.75	84.53
Others	132.88	135.36
Insurance	55.73	60.80
Rates and taxes	69.52	34.98
Communication expenses	73.55	73.24
Travelling and conveyance expenses	438.30	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	137.69	104.79
- Limited Review Fees	15.00	18.25
- Certification fees	31.95	1.75
Provision for doubtful debts	112.65	57.49
Bad Debts	45.81	101.54
Foreign exchange differences (net)	43.21	-
Miscellaneous expenses	209.70	184.66
Director sitting fees	2.65	-
Discarding/written off of Property, plant and equipment and Intangible assets	166.34	27.62
Total	**3,929.29**	**4,047.50**
36. Exceptional Items		
Reconciliation of loan accounts (net)	-	(562.39)
Settlement of claims	(5,167.04)	(19,478.47)
Loss on sale of subsidiary (Refer Note No. 57)	-	(4,314.69)
Gain on monetization of property, plant and equipment (Refer Note No. 59)	-	(15,633.29)
Loss on sale/discard of Property, plant and equipment	-	515.64
Total	**(5,167.04)**	**(39,473.20)**

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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	11,087.78
(b)	Disputed Sales Tax demands	-	20.51
(c)	Disputed Service Tax demand	114.23	51.55
(d)	Disputed Local Body Tax demand	160.33	160.33
(e)	Claims against the group not acknowledged as debts	2,291.99	2,397.12
(f)	Bank Guarantees	116.25	162.00
(g)	Letter of Credit (Letter of Credit given in favour of Railways for availing e-freight facility for haulage payment)	100.00	100.00
(h)	Import Continuity / Transshipment Bond / Custodian cum Carrier Bond	43,901.21	31,910.21
(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. 6,345.90 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 6 years and may be renewed for a further period of 6 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	-	4,896.67

(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	699.19	1,051.11
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	84.98	18.11
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, 2016, along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e)	Interest accrued and remaining unpaid	4.01	0.22
f)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above ae actually paid to the micro and small enterprises.	-	-

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

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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:

(Rs. in Lakh)

Particulars	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	44.61
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: (Rs. in Lakh)

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	22.08	16.31
Non Current Provision as at the end of the year	101.78	80.06
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.

(Rs. in Lakh)

Particulars	31st March, 2019	31st March, 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	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	81.66	118.68
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 64(b)	-	-
Actuarial gain/(loss) on plan assets	-	(4.59)
Fair value of plan assets as at the end of the year	**87.70**	**129.76**
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 recognisod 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	87.70	129.78
Provision recognised in the Balance Sheet	175.72	129.88

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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	55.01
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	46.83
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	32.31	(4.29)
Due to Change in demographic assumption	(4.19)	0.06
Due to Change in experience assumption	0.45	(6.39)
Expected return on plan assets	-	(4.59)
Total remasurement 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%	275.63
	-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, as 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 - 6 years).

CHATURVEDI & SHAH LLP * CHARTERED ACCOUNTANTS * MUMBAI

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 EBIDTA 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 Khurja 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 AIDHL 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 finalizing 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 it's 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 Mutli-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 15,00,000 Equity Shares of face value of Rs.2 each to the Promoter upon conversion of equal number of warrants.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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 15,50,000 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 Parent 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 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. 3,500.76 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. 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 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 it's operations by reorganizing different businesses into two entities subject to various approvals.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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 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. 8,012.60 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 10,398.92 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. 7,790.75 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.

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

59 During the year ended 31st March, 2018, on 23 November 2017, the Parent Company, interalia, it's subsidiaries and promoters had executed Share Purchase Agreement of Ascendas Panvel 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 it's 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, interalia, it's 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 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/lump sum rent of Rs. 43,400 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 6 (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.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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	14,758.88	12,233.47
Rail Transport Operations/ICD	13,750.16	13,653.22
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	(4,567.90)	(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	27,559.39	31,598.39
Less: Exceptional Items (Net)	(5,167.04)	(39,473.20)
Loss before tax	**(26,750.87)**	**3,131.53**
Less: Tax Expenses	6.98	27.42
Loss after tax	**(26,757.85)**	**3,104.11**
Segment Assets		
FTWZ	1,81,666.82	1,85,856.32
Rail Transport Operations/ICD	73,038.42	77,717.22
Domestic Warehousing	48,982.63	49,852.04
Unallocated	2,092.84	2,199.05
Total	**3,05,780.71**	**3,15,624.63**
Segment Liabilities		
FTWZ	11,981.34	13,267.09
Rail Transport Operations/ICD	7,746.04	7,581.09
Domestic Warehousing	120.38	3.60
Unallocated	2,31,948.11	2,22,751.84
Total	**2,51,795.87**	**2,43,603.62**
Other Disclosures		
Capital Expenditure		
FTWZ	3,256.98	5,944.51
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	101.36
Domestic Warehousing	-	-
Unallocated	-	-
Total	**324.80**	**186.65**

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

61 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 Bairagra - 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 Dalal – Company Secretary of Arshiya Limited

Mr. Sanjay Sukhram Lakkhan - 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. Navnit 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

Welldone Software Consultancy Private Limited

Noval FTWZ Limited (formaly known as Arshiya Central FTWZ Limited)

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

(Rs. in Lakh)

Nature of transaction	Name of the Party	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Remuneration paid to Key Managerial Person and Relative of Person having significant influence over the Group	Mr. Ananya Mittal	25.68	25.68
	Mr. S. Maheshwari	203.68	185.15
	Ms. Savita Dalal	16.61	-
	Ms. Avani Dipakkumar Lakhani	0.10	-
	Mr. Amardeep Gupta	0.36	-
	Mr. Vinod Jain	20.49	-
	Mr. Siddarth Kasturia	0.95	-
Director sitting fees	Mr. Ashishkumar Bairagra	1.15	2.00
	Mr. Mukesh Kacker	0.40	1.80
	Prof. G. Raghuram	-	0.20
	Mr. Rishabh Shah	0.40	1.75
	Mr. T S Bhattacharya	0.70	-
Interest income	Noval FTWZ Limited	0.12	-

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

Loans and Advances taken	Mr. Ajay S Mittal	788.46	3,064.09
	Mrs. Archana A Mittal	1,116.14	4,260.42
Loans given	Noval FTWZ Limited	325.00	-
Loans and Advances taken repaid/adjusted	Mr. Ajay S Mittal	1,153.32	2,594.62
	Mrs. Archana A Mittal	2,528.94	2,860.31
	Rudradev Properties Private Limited	-	1.00
	Mega Management Services Private Limited	-	13.32
	Welldone 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	104.89	469.75
	Mrs. Archana A Mittal	55.22	1,468.01
	Rudradev Properties Private Limited	-	1.00
Loan given	Noval 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

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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)	3,104.11
Add: Interest adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	-	946.32
Total Profit/(Loss) for the year for diluted EPS (Rs. in Lakh)	(26,757.85)	4,050.43
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)	-	54,82,856
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	2.00
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	3.11	5,419.06	A.Y. 2021-2022
2014-2015	19,848.88	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	5,968.48	A.Y. 2026-2027
2019-2020	1,806.52	6,537.27	A.Y. 2027-2028
Total	**1,26,039.21**	**84,257.65**	

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	(21,908.29)	(17,225.95)
Expenses allowable on payments under section 43B and 40 (a) (ia)	(6,087.89)	(12,538.11)
Unabsorbed losses	(33,047.07)	(30,844.25)
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 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 Group's activities.

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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 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 Lakh)

Particulars	less than 1 year	1 to 5 years	More than 5 year
31st March, 2019			
Financial liabilities			
Borrowings	56,154.61	1,26,473.26	-
OCRPS (Equity and Liability Component)	-	1,200.00	-
Trade payables	2,579.26	-	-
Creditors for Capital Goods	7,228.05	-	-
Financial guarantee obligations	10.55	-	-
Other financial liabilities	51,993.13	612.11	-
Total	**1,17,965.60**	**1,28,285.37**	**-**
31st March, 2018			
Financial liabilities			
Borrowings	50,179.38	1,31,491.71	-
OCRPS (Equity and Liability Component)	-	-	58,846.19
Trade payables	1,797.79	-	-
Creditors for Capital Goods	8,422.54	-	-
Financial guarantee obligations	-	224.03	-
Other financial liabilities	35,105.55	2,076.73	-
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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

ARSHIYA LIMITED MUMBAI

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

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

Particulars	Financial Year Ended	Foreign currency amount (Amount in Lakh)	Equivalent amount in INR (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	36.85
Security Deposit from customers			
USD	31st March, 2019	6.20	428.85
	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	6.65
	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.

(Rs. in Lakh)

	Increase/(decrease) in profit before tax	
Particulars	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:

(Rs. in Lakh)

Particulars	31st March, 2019	31st March, 2018
Variable rate borrowing	20,750.92	22,790.49

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.

(Rs. in Lakh)

	Increase/(decrease) in profit before tax	
Particulars	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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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	4,266.17	2,742.67	4,266.17	2,742.67
Cash and Cash Equivalents	990.56	1,285.84	990.56	1,285.84
Other Bank Balances	401.38	498.54	401.38	498.54
Loan	325.12	-	325.12	-
Security Deposits	5,041.28	11,151.19	5,041.28	11,151.19
Other Financial Assets	5,625.38	3,385.69	5,625.38	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	1,296.53	1,288.53	1,296.53
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:

(a) 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.

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

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

(ii) Fair value hierarchy

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

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

(b) **Level 2 -** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which 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.

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

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

66 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 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 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 debts divided by total equity.

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

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total Debts	2,31,919.33	2,22,733.08
Total Equity	53,465.75	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:

(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 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:

(Rs. in Lakhs)

Geography	Year Ended 31st March, 2019	Year Ended 31st March, 2018
India	28,918.71	25,868.69
Outside India	18.67	38.00
Total	**28,937.38**	**25,906.69**

Revenue disaggregation by timing of revenue recognition is as follows:

(Rs. in Lakhs)

Geography	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Services transferred over time	28,937.38	25,906.69
Total	**28,937.38**	**25,906.69**

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 Panvel storage revenue, cash flow cover, collections within 90 days or mutually agreed. The management of the Parent Company expects that 35% of the unsatisfied 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.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

(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 results 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 Financials 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 CDR Package and restructured with NBFC. Certain lenders had invoked the CDR package. The ARC / CDR Lenders and NBFC have charged penal interest/ additional interest/ interest amounting to Rs. 2,599.23 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. 655.89 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. 28,977.19 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. 29,655.06 lakh, Rs. 69,146.40 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.27,947.92 lakh respectively. Earning Per Share (EPS) also recalculated based on the restated figures.

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

ARSHIYA MUMBAI

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
I	**Parent Subsidiaries Indian:**						
1	Arshiya Limited	320.80%	1,71,515.57	(28.39%)	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 FTWZ Limited	36.33%	19,424.06	25.94%	(7.41)	29.73%	(7,962.93)
4	Arshiya Industrial & Distribution Hub Limited	27.12%	14,498.06	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 Laxmipati Balaji Exim Trading Limited)	(0.14%)	(73.91)	9.91%	(2.83)	0.42%	(111.70)
9	Anomalous Infra Private Limited	1.74%	931.59	-	-	0.64%	(171.24)
10	Arshiya Northern Projects Private Limited	(0.00%)	(1.03)	-	-	0.02%	(6.03)
11	Arshiya Infrastructure Developers Private Limited	0.00%	0.74	-	-	0.00%	(0.26)
12	Laxmipati Balaji Supply Chain Management Private Limited	0.01%	4.53	-	-	0.00%	(0.47)
13	Unrivalied 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/Eliminiations*	(261.48%)	(1,39,803.26)	-	-	16.49%	(4,416.72)
	Total	100.00%	**53,465.75**	100.00%	**(28.57)**	100.00%	**(26,786.42)**

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
I	**Parent Subsidiaries Indian:**						
1	Arshiya Limited	230.64%	1,64,914.64	(27.82%)	(2.69)	125.81%	3,892.97
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	(99.79%)	(9.65)	(301.09%)	(9,316.94)
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%)	(959.74)	-	-	(3.34%)	(103.33)
6	Arshiya Technologies (India) Private Limited	(0.00%)	(2.88)	-	-	(0.05%)	(1.65)
7	Arshiya Lifestyle Limited	2.51%	1,798.21	-	-	(0.72%)	(22.38)
8	Arshiya Logistics Services Limited (formerly known as Laxmipati 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%)	(1,592.76)
	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/Eliminiations*	(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 subsidaries are presented before intercompany eliminations and consolidation adjustments in order to conform to the respective financial statements of the Parent Company and Subsidiaries.

CHATURVEDI & SHAH LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

ARSHIYA MUMBAI

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 / restated / rearranged wherever necessary.

Signatures to Notes forming part of Financial Statements

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

Vijay Napawaliya
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

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer
and Group President

Place: Mumbai
Date: 27th May, 2019

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP - Accounts & Finance

Arshiya Limited

Statement containing the salient features of the financial statements of subsidiaries / associates companies / joint ventures
[Pursuant to first proviso to sub-section (3) of section 129 of the companies Act, 2013, read with rule 5 of the companies (Accounts) Rules, 2014 - AOC-1]

(Rs. in Lakh)

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)before taxation	Provision for taxation	Profit / (Loss) after taxation	% of Share holding(1*)
1	Arshiya Industrial & Distribution Hub Limited	31st March, 2019	INR	1,723.72	13,293.43	67,614.82	52,597.67	-	1,192.12	(6,333.09)	-	(6,333.09)	100%
2	Arshiya Northern FTWZ Limited	31st March, 2019	INR	1,086.87	18,337.19	75,763.88	56,339.82	-	460.80	(7,955.52)	-	(7,955.52)	100%
3	Arshiya Rail Infrastructure Limited	31st March, 2019	INR	4,238.44	(18,197.13)	51,313.60	65,272.29	-	13,614.83	(4,159.12)	-	(4,159.12)	100%
4	Arshiya Trancport And Handling Limited	31st March, 2019	INR	5.00	(1,079.59)	0.02	1,074.61	-	-	(114.85)	-	(114.85)	100%
5	Arshiya Technologies (India) Private Limited	31st March, 2019	INR	10.12	(13.82)	0.20	3.90	-	-	(0.82)	-	(0.82)	100%
6	Arshiya Lifestyle Limited	31st March, 2019	INR	148.50	1,853.11	4,707.56	2,705.95	-	10,165.30	33.84	6.98	26.86	100%
7	Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited)	31st March, 2019	INR	160.00	(233.91)	1,958.26	2,032.17	5.00	6,795.46	(108.88)	-	(108.88)	100%
8	Anomalous Infra Private Limited	31st March, 2019	INR	11.00	920.59	7,003.80	6,072.21	-	-	(171.24)	-	(171.24)	100%
9	Arshiya Northern Projects Private Limited	31st March, 2019	INR	5.00	(6.03)	5.00	6.03	-	-	(6.03)	-	(6.03)	100%
10	Arshiya Infrastructure Developers Private Limited	31st March, 2019	INR	1.00	(0.26)	1.00	0.26	-	-	(0.26)	-	(0.26)	100%
11	Laxmipati Balaji Supply Chain Management Private Limited	31st March, 2019	INR	5.00	(0.47)	22.32	17.79	-	-	(0.47)	-	(0.47)	100%
12	Unrivalled Infrastructure Private Limited	31st March, 2019	INR	1.00	(0.26)	1.00	0.26	-	-	(0.26)	-	(0.26)	100%
13	Arshiya 3PL Services Private Limited	31st March, 2019	INR	5.00	(0.97)	4.54	0.51	-	-	(0.97)	-	(0.97)	Nil (2*)

(1*) % of Share Holding including beneficial interest/ voting power (either directly/indirectly or through subsidiaries).
(2*) 100% held through Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited)

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

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Archana A Mittal
Joint Managing Director
DIN: 00703208

Ashishkumar Bairagra
Independent Director
DIN: 00049591

S. Maheshwari
Chief Financial Officer
and Group President

Savita Dalal
Company Secretary

Dinesh Kumar Sodani
VP - Accounts & Finance

Place: Mumbai
Date: 27th May, 2019

ARSHIYA LIMITED MUMBAI

ARSHIYA RAIL INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

(Rupees in lakhs)

[illegible]	[illegible]	[illegible]	[illegible]
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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

ARSHIYA RAIL INFRASTRUCTURE LTD. MUMBAI

Navnit Choudhary
Director
DIN : 00613576

Amardeep Gupta
Chief Financial Officer

Avani

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)

[illegible]	[illegible]	[illegible]	[illegible]
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

Vijay Napawaliya
Partner
Membership Number. 109859

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

Navnit Choudhary
Director
DIN : 00613576

Amardeep Gupta
Chief Financial Officer

Avani Dipakkumar Lakhani
Company Secretary

ARSHIYA RAIL INFRASTRUCTURE LTD. MUMBAI

ARSHIYA RAIL INFRASTRUCTURE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A Equity Share Capital (Refer Note 15)

(Rupees in lakhs)

[illegible]	[illegible]
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**

B Other Equity (Refer Note 16)

(Rupees in lakhs)

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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 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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

Amardeep Gupta
Chief Financial Officer

Avani Dipakkumar Lakhani
Company Secretary

Place : Mumbai
Date: May 27, 2019

ARSHIYA RAIL INFRASTRUCTURE LTD. MUMBAI

ARSHIYA RAIL INFRASTRUCTURE LIMITED
Cash Flow Statement for the year ended March 31, 2019

(Rupees in lakhs)

[illegible]		[illegible]	[illegible]
CASH FLOW FROM OPERATING ACTIVITIES			
Loss 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)
Sundry 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)	198.43
Cash and cash equivalents at the beginning of the year		375.35	176.92
Cash and Cash Equivalents at the beginning of the year		**120.24**	**375.35**
Cash and Cash Equivalents at the end of the year		**120.24**	**375.35**

***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 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

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

ARSHIYA RAIL INFRASTRUCTURE LTD.
MUMBAI

Amarjeep Gupta
Chief Financial Officer

Avani Dipakkumar Lakhani
Company Secretary

Place : Mumbai
Date: May 27, 2019

1 CORPORATE INFORMATION:

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

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

The 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 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.

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

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).

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

ARSHIYA RAIL INFRASTRUCTURE LTD. MUMBAI

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.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

ARSHIYA RAIL INFRASTRUCTURE LTD MUMBAI

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

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

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MUMBAI
CHARTERED ACCOUNTANTS

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

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

3.12 Taxes on Income:

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

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

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

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

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

MUMBAI

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

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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.

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

MUMBAI

4.5 Impairment of non-financial assets:

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

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

4.6 Defined benefits plans:

The Cost of the defined benefit plan and 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.

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

ARSHIYA RAIL INFRASTRUCTURE LTD.
MUMBAI

ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(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	14,333.54	-	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 mangement during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss of property, plant and equipment during the year ended March 31, 2019.

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

ARSHIYA RAIL INFRASTRUCTURE LTD. MUMBAI

6

(Rupees in lakhs)

[illegible]	[illegible]	[illegible]	[illegible]
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

CHATURVEDI & SHAH LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

7 OTHER NON CURRENT FINANCIAL ASSETS (Rupees in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
Financial assets carried at amortised cost		
Security Deposits	57.88	14.21
Financial Guarantee	605.76	804.39
Total	**663.64**	**818.60**

8 OTHER NON CURRENT ASSETS (Rupees in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
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)

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

10 CURRENT ASSETS - TRADE RECEIVABLES (Rupees in lakhs)

Particulars	As at March 31, 2019	As at 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**

CHATURVEDI & SHAH LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

ARSHIYA RAIL INFRASTRUCTURE LTD. MUMBAI

ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

11 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

(Rupees in lakhs)

[illegible]	[illegible]	[illegible]
Balances with banks in current accounts	119.96	375.29
Cash on hand	0.28	0.06
Total	**120.24**	**375.35**

12 CURRENT ASSETS - OTHER BANK BALANCES

(Rupees in lakhs)

[illegible]	[illegible]	[illegible]
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)

[illegible]	[illegible]	[illegible]
Unsecured, considered good unless otherwise stated		
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)

[illegible]	[illegible]	[illegible]
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**

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

MUMBAI

ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(Rupees in lakhs)

15

[illegible]	[illegible]	[illegible]
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:

[illegible]	[illegible]	[illegible]
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

[illegible]	[illegible]		[illegible]	
	[illegible]	[illegible]	[illegible]	[illegible]
Equity shares of Rupees 10 each fully paid				
Arshiya Limited (Holding Company)	4,23,83,817	100.00	4,23,83,817	100.00
Shares held by Nominee and jointly shareholders	600		600	

(Rupees in lakhs)

16

Particulars	As at March 31, 2019	As at March 31, 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)

Particulars	As at March 31, 2019	As at March 31, 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)

Particulars	As at March 31, 2019	As at March 31, 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)

Particulars	As at March 31, 2019	As at March 31, 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.

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ARSHIYA RAIL INFRASTRUCTURE LTD. MUMBAI

17 NON CURRENT BORROWINGS (Rupees in lakhs)

[illegible]	[illegible]	[illegible]
Secured		
-Term Loans		
From Others (refer note 17.1 below)	31,902.67	33,538.04
Total	**31,902.67**	**33,538.04**

17.1 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

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.

(2) Terms of Interest rate:

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

(3) Terms of repayment :-

(Rupees in lakhs)

[illegible]	[illegible]
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.

18 NON CURRENT LIABILITIES - PROVISIONS

(Rupees in lakhs)

Particulars	As at March 31, 2019	As at March 31, 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)

Particulars	As at March 31, 2019	As at March 31, 2018
Government Grants	1,632.32	1,723.69
Total	**1,632.32**	**1,723.69**

20 CURRENT BORROWINGS

(Rupees in lakhs)

Particulars	As at March 31, 2019	As at March 31, 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.

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RAIL INFRASTRUCTURE LTD. MUMBAI

21 CURRENT LIABILITIES- TRADE PAYABLES **(Rupees in lakhs)**

[illegible]	[illegible]	[illegible]
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)**

[illegible]	[illegible]	[illegible]
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 (March31, 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)

[illegible]	[illegible]
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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

RAIL INFRASTRUCTURE MUMBAI

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

(Rupees in lakhs)

[illegible]	[illegible]	
	[illegible]	[illegible]
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

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

(2) Terms of Interest rate:

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

(3) Terms of repayment :-

(Rupees in lakhs)

[illegible]	[illegible]
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)

[illegible]	[illegible]	
	[illegible]	[illegible]
Current maturity of Rupee Term loans	2,960.00	2018-19
Total	**2,960.00**	

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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)

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**

23 OTHER CURRENT LIABILITIES

(Rupees in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
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 liablities include TDS,Goods & Service Tax, Service tax,PF,ESIC payable,Employee professional tax

GOVERNMENT GRANTS

(Rupees in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
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)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Leave encashment (Refer Note 37)	10.61	3.69
Total	**10.61**	**3.69**

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

ARSHIYA RAIL INFRASTRUCTURE LTD MUMBAI

25 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**

26 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 derecognistion 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**

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

28 EMPLOYEE BENEFITS EXPENSE (Rupees in lakhs)

Particulars	Year ended March 31, 2019	Year 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)

Particulars	Year ended March 31, 2019	Year 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)

Particulars	Year ended March 31, 2019	Year 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**

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

MUMBAI

31 OTHER EXPENSES

(Rupees in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
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)

[illegible]	[illegible]	[illegible]
As Statutory Auditor		
Audit Fee	12.50	8.50
Total	**12.50**	**8.50**

32 EXCEPTIONAL ITEMS

(Rupees in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
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**

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

ARSHIYA RAIL INFRASTRUCTURE LTD. MUMBAI

33 Earnings per share (Basic and Diluted)

Particulars	As at March 31, 2019	As at 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	As at March 31, 2019	As at 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	As at March 31, 2019	As at 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	As at March 31, 2019	As at 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	As at March 31, 2019	As at 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

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MUMBAI
CHARTERED ACCOUNTANTS

MUMBAI

(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)

[illegible]	[illegible]	[illegible]
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 sepearately 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	-	-
Total remeasurement recognised in OCI	24.39	(7.19)
Amount recognised in OCI, end of year	17.10	(7.29)

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 pratice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity anaysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the balance sheet.

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

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

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

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

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

(Rupees in lakhs)

Particulars	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 as above are actually paid to the small enterprise.	-	-

40 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.

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CHARTERED ACCOUNTANTS

ARSHIYA RAIL INFRASTRUCTURE LTD
MUMBAI

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

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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. Navnit Choudhary - Director Mr. Ashish Kumar Bairagra - Independent Director Mr. Rishabh Pankaj Shah - Independent Director Mr. Siddarth Kasturia - Chief Executive Officer (w.e.f. March 26, 2019) Ms. Avani Dipakkumar Lakhani - 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)

[illegible]	[illegible]	[illegible]	[illegible]
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.

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ARSHIYA RAIL INFRASTRUCTURE LTD. MUMBAI

(iii) Closing Balances

(Rupees in lakhs)

[illegible]	[illegible]	[illegible]
[illegible]		
Arshiya Logistics Services Limited (formerly known as Laxmipati Balaji Exim Trading Limited)	-	0.23
[illegible]		
Arshiya Limited	304.38	2,029.26
[illegible]		
Arshiya Industrial Distribution & Hub Limited	289.58	-
[illegible]		
Arshiya Limited	854.69	1,041.15
[illegible]		
Ajay S Mittal	54,120.00	51,120.00
Archana A Mittal	54,120.00	51,120.00
[illegible]		
Arshiya Limited	51,200.19	48,200.19
[illegible]		
Arshiya Limited	550.00	-

(iv) Key managerial personnel compensation

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

(Rupees in lakhs)

[illegible]	[illegible]	[illegible]
Short term employee benefits	20.49	-
Total	20.49	-

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

(Rupees in lakhs)

[illegible]	[illegible]	[illegible]
Short term employee benefits	0.95	-
Total	0.95	-

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

(Rupees in lakhs)

[illegible]	[illegible]	[illegible]
Short term employee benefits	0.10	-
Total	0.10	-

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

(Rupees in lakhs)

[illegible]	[illegible]	[illegible]
Short term employee benefits	0.36	-
Total	0.36	-

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ARSHIYA RAIL INFRASTRUCTURE LTD * MUMBAI

42 FAIR VALUE MEASUREMENTS

(i) Financial Instruments by Category

(Rupees in lakhs)

Particulars	Carrying Amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
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
Total	2,696.88	2,595.29	2,696.88	2,595.29
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
Total	[illegible]	61,400.26	61,633.94	61,400.26

(ii) Fair Valuation techniques used to determine fair value

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

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

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

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

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

(iii) Fair value hierarchy

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

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

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

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

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ARSHIYA RAIL INFRASTRUCTURE LTD. MUMBAI

43 Financial Risk Management

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

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

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

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

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

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

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

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

ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Contractual maturities of financial liabilities (Rupees in lakhs)

[illegible]	[illegible]	[illegible]	[illegible]
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		

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ARSHIYA RAIL INFRASTRUCTURE LTD. MUMBAI

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.

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ARSHIYA RAIL INFRASTRUCTURE LTD. MUMBAI

45 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)

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)**

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

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ARSHIYA RAIL INFRASTRUCTURE LTD. MUMBAI

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

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

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

viii 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.

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RAIL INFRASTRUCTURE MUMBAI

54 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:

(Rupees in lakhs)

Geography	For the year ended 31st March 2019	For the year ended 31st 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:

(Rupees in lakhs)

Geography	For the year ended 31st March 2019	For the year ended 31st 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 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

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

Navnit Choudhary
Director
DIN : 00613576

Amardeep Gupta
Chief Financial Officer

Avani Dipakkumar Lakhani
Company Secretary

IN THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH

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 bearing CIN: 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 INFRASTRUCTURE)
LIMITED)
302, Ceejay House, Level-3, Shiv Sagar)
Estate, F-Block, Dr. Annie Besant Road,)
Worli, Mumbai 400018 Maharashtra India)
)… Resulting Company/Applicant Company 2

(Hereinafter collectively referred to as 'the Applicant Companies')

Order delivered on: 09.12.2019

CORAM: Hon'ble M. K. Shrawat, Member (J)

For the Applicants: Adv Gauraj Shah A/W CS Siddharth Doshi i/b. Aabid & Co. Practicing Company Secretaries

Per: *M. K. Shrawat, Member (J)*

ORDER

UPON the application of the Applicant Companies above named by a Company Notice of Admission **AND UPON HEARING** Advocate for the Applicant Companies **AND UPON READING** the Application along with the Notice of Admission dated 27th July, 2019, of Mr. Ajay Shankarlal Mittal, Director in the Applicant Companies, in support of Notice of Admission along with Application and Exhibits therein referred to, **IT IS ORDERED THAT:**

1. The Counsel for the Applicants states that the present Scheme is a Scheme of Demerger by Demerger of "**Domestic Business Undertaking**" of **Arshiya Limited** into **Arshiya Rail Infrastructure Limited** and their respective shareholders under the provisions of Sections 230 to 232 read with section 66 and section 52 and other applicable provisions of the Companies Act, 2013 .

2. The Counsel for the Applicants Companies further submits that the Applicant Company 1 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 and the Applicant Company 2 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.

3. BACKGROUND AND RATIONALE FOR THE SCHEME

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.

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:

FTWZ business in Arshiya Domestic business (includes DWA, ICD, Rail and PFT business) in ARIL

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.

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.

4. The Counsel for the Applicant Companies submits that the Board of Directors of the Applicant Companies at their respective meetings held on 24th May, 2018 have considered and approved the proposed Composite Scheme of Arrangement for the reduction of Equity Share Capital of the Resulting Company and transfer of the "**Domestic Business Undertaking**" of the Demerged Company to the Resulting Company subject to necessary statutory approvals, in order to benefit the stakeholders of the Demerged Company and Resulting Company. The Board Resolutions approving the Scheme for the Applicant Company 1 and Applicant Company 2 are annexed respectively as **Annexure I and II** to the Company Scheme Application.

5. 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').

6. That the meeting of the Equity Shareholders of the Applicant Company 1 be convened and held at Nehru Centre, Doctor Annie Besant Road, Worli, Mumbai, Maharashtra 400018 at 11.00 am on Monday, 13th January, 2020 for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed arrangement embodied in the Scheme of Arrangement of "**Domestic Business Undertaking**" of **Arshiya Limited** into **Arshiya Rail Infrastructure Limited** and their respective shareholders.

7. That the meeting of the Equity Shareholders of the Applicant Company 2 be convened and held at 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai 400018 at 4.00 pm on Monday, 13th January, 2020 for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed arrangement embodied in the Scheme of Arrangement of "**Domestic Business Undertaking**" of **Arshiya Limited** into **Arshiya Rail Infrastructure Limited** and their respective shareholders.

8. The Counsel for the Applicant Companies submits that Applicant Companies have both the Creditors i.e. Secured Creditors and Unsecured Creditors. The Counsel for the Applicant Companies submits that as on 30th September, 2019, the total number of Secured Creditors of Demerged Company and Resulting Company are 17 (Seventeen only) amounting to Rs. 9,98,83,92,045 (Rupees Nine Hundred Ninety Eight Crore Eighty Three Lakhs Ninety Two Thousand Forty Five Only) and 15 (Fifteen only) amounting to Rs. 9,96,73,53,168 (Rupees Nine Hundred Ninety Six Crore Seventy Three Lakhs Fifty Three Thousand One Hundred Sixty Eight Only) respectively and total number of Unsecured Creditors of Demerged Company and Resulting Company are 128 (One Hundred and twenty eight only) amounting to Rs. 12,12,96,050 (Rupees Twelve Crore Twelve Lakhs Ninety Six Thousand Fifty Only) and 77 (Seventy Seven only) amounting to Rs. 1,90,22,29,065/- (Rupees One Hundred Ninety Crore Twenty Two Lakhs Twenty Nine Thousand and Sixty Five Only) respectively. List where of is annexed as Annexure –A, Annexure-B, Annexure-C and Annexure-D.

9. That the meeting of the Secured Creditors of the Applicant Company 1 be convened and held at 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai 400018 at 11:00 am on Tuesday, 14th January, 2020 for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed arrangement embodied in the Scheme of Arrangement of "**Domestic Business**

Undertaking" of **Arshiya Limited** into **Arshiya Rail Infrastructure Limited** and their respective shareholders.

10. That the meeting of the Secured Creditors of the Applicant Company 2 be convened and held 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai 400018 at 1:00 pm on Tuesday, 14th January, 2020 for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed arrangement embodied in the Scheme of Arrangement of "**Domestic Business Undertaking**" of **Arshiya Limited** into **Arshiya Rail Infrastructure Limited** and their respective shareholders.

11. That the meeting of the Unsecured Secured Creditors of the Applicant Company 1 be convened and held at 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai 400018 at 2:00 pm on Tuesday, 14th January, 2020 for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed arrangement embodied in the Scheme of Arrangement of "**Domestic Business Undertaking**" of **Arshiya Limited** into **Arshiya Rail Infrastructure Limited** and their respective shareholders.

12. That the meeting of the Unsecured Secured Creditors of the Applicant Company 2 be convened and held 302, Ceejay House, Level-3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai 400018 at 4:00 pm on Tuesday, 14th January, 2020 for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed arrangement embodied in the Scheme of Arrangement of "**Domestic Business Undertaking**" of **Arshiya Limited** into **Arshiya Rail Infrastructure Limited** and their respective shareholders.

13. The counsel for the Applicant Companies submits that the Resulting Company being an Unlisted Public Limited Company, the shares of the same are not listed in any stock exchange. Further the equity shares of the Demerged Company are listed with BSE Limited and NSE Limited with around 9323 number of equity shareholders as on date of the Application. Further as per the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, the Demerged Company received No Objection Certificate for draft Scheme of Arrangement and Amalgamation from BSE

Limited on 12th Day of July, 2019 and from NSE Limited on 15th Day of July, 2019 the same has been disseminated by BSE Limited and NSE Limited on its website and the acknowledgement is annexed at Exhibit- 17 and Exhibit-18 to the Application.

14. That at least 30 days clear notice before the said Meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Companies to be held as aforesaid, a notice convening the said Meeting at the place, day, date and time as aforesaid, together with a copy of the Scheme, a copy of statement disclosing all material facts as required under Section 230(3) of the Companies Act 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 and the prescribed Form of Proxy, shall be sent by Registered Post or by courier or by speed post or by hand delivery to each of the Equity Shareholders of the Applicant Companies as aforesaid at their respective registered or last known addresses or by e-mail to the registered e-mail address of the Equity Shareholders, Secured Creditors and Unsecured Creditors as per the records of the Applicant Companies.

15. That at least 30 clear days before the Meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Companies to be held as aforesaid, a joint notice convening the said meetings indicating the place, date and time aforesaid and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230 (3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 and that the form of Proxy can be obtained free of charge at the respective Registered Offices of the Applicant Companies as aforesaid, be published once each in 'Active Times' in English and `Mumbai Lakshadeep' in Marathi, both circulated in Mumbai not less than thirty(30) days before the date fixed for the meeting.

16. The Applicant Companies are directed to:

i. Issue Notice convening meeting of the Equity shareholders, Secured Creditors and Unsecured Creditors in Form No. CAA.2 as per Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

ii. Issue Statement containing all the particulars as per Section 230(3) of the Companies Act, 2013;

iii. Issue Form of Proxy in Form No. MGT-11 as per Rule 19 of the Companies (Management and Administration) Rules, 2014; and

iv. Advertise the Notice convening meeting in Form No. CAA.2 as per Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

17. That the value and number of the shares of each Equity Shareholder shall be in accordance with the books/ register of the Applicant Companies where the entries in the books/ register are disputed, the chairman of the Meeting shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.

18. Mr. Ajay Shankarlal Mittal, Director failing whom Mr. Ashishkumar Bairagra, Directors of the Applicant Companies, shall be the Chairman for each of the aforesaid meetings to be held as aforesaid of the Applicant Companies or any adjournments thereof.

19. The Scrutinizer for the each of the meetings or any adjournments thereof shall be Mr. Mohammed Akram, (ACS - 9411) Companies Secretary in practice having its office at R 34, 3rd Floor, Shanti Bhawan, 198 Kalbadevi Road, Mumbai – 400002.

20. The Chairman appointed for the aforesaid Meetings of the Applicant Companies to issue the notices of the Meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors as the case may be, referred to above. The said Chairman shall have all powers under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).

21. The quorum for the aforesaid meeting of the Equity Shareholders of the Applicant Companies shall be as prescribed under Section 103 of the Companies Act, 2013.

22. That the quorum of the aforesaid meetings of the secured the unsecured creditors of the Applicant 1 and 2 shall be five present in person or through proxy.

23. That the voting shall be allowed on the proposed Scheme by voting in person or by proxy. The voting by proxy or authorised representative in case of body corporate be permitted, provided that a proxy in the prescribed form / authorization duly signed by the person entitled to attend and vote at the meeting, is filed with the respective Applicant Companies at its respective Registered Offices not later than, 48 hours before the aforesaid meeting as required under Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

24. That the voting shall be allowed on the proposed Scheme in case of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Companies by voting through electronic means and Postal Ballot also.

25. The Chairman to file an affidavit not less than seven days before the date fixed for the holding of the meetings of the Applicant Companies and do report this Tribunal that the direction regarding the issue of notices and advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

26. The Chairman to report to this Tribunal, the result of the aforesaid meeting within ten days of the conclusion of the meetings of the Applicant Companies and the said report shall be verified by his Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

27. That the Chairman of the meetings to report to this Tribunal, the results of the aforesaid meetings within thirty days of the conclusion of the meetings.

28. That this bench hereby directs the Applicant Companies to issue notices for equity shareholders meeting, unsecured creditors meeting and secured creditors meeting to all respective shareholders, unsecured Creditors and secured creditors as on 30th September, 2019 by Registered Post /Speed Post / courier / Airmail / email / hand-delivery as required under section 230 (3) of the Companies Act, 2013 with a direction that they may submit their representations, if any, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Companies respectively.

29. The Applicant Companies are directed to serve the notice upon the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai Maharashtra, pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from Regional Director within 30 days of the date of receipt of the notice it will be presumed that Regional Director and/ or Central Government has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

30. The Applicant Companies are directed to serve the notice upon the concerned Registrar of Companies, pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from the Registrar of Companies within 30 days of the date of receipt of the notice it will be presumed that Registrar of Companies has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

31. The Applicant Companies are directed to serve notices along with copy of scheme upon the concerned Income Tax Authority enlisted below, within whose jurisdiction respective assessments of the Applicant Companies are made pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016:-

Name of the Company	**PAN No.**	**Address**
ARSHIYA LIMITED	AAACI2679A	DCIT Central Circle 6(4)
ARSHIYA RAIL INFRASTRUCTURE LIMITED	AAACI2679A	DCIT Central Circle 6(4)

If no response is received by the Tribunal from the Income Tax Authorities within 30 days of the date of receipt of the notice it will be presumed that Income Tax Authorities has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

32. The Demerged Company/ Applicant Company 1 to serve the notice upon the Securities and Exchange Board of India (SEBI) and BSE Limited and NSE Limited and pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from the Securities and Exchange Board of India (SEBI) and BSE Limited and NSE Limited within 30 days of the date of receipt of the notice it will be presumed that the Securities and Exchange Board of India, BSE Limited and the NSE Limited has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

33. The Appointed date is 1st April, 2019

Sd/-

M.K. Shrawat, Member (J)

Dated: 09.12.2019

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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 (HERE IN 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 RESPONSIBILTY

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

TABLE OF CONTENTS

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:

    1. 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.

    2. 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.

    3. 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:**

  1. Memorandum and Articles of Association of the Company
  2. Audited Financial Statement for the last five Financial Years
  3. Shareholding Pattern of the Company as on December 10, 2019
  4. Draft Scheme of Amalgamation
  5. Valuation Report issued by ZADN & Associates, Chartered Accountants
  6. Fairness Opinion on Valuation Report issued by Chartered Capital and Investment Limited, SEBI registered Category I Merchant Banker, having SEBI Permanent Registration No. INM000004018
  7. 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 : 10th December, 2019
Place : Mumbai

ANNEXURE L

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:	00.24
Sundry Debtors	
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 (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 underlying Depository 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 Voting Rights: Class Equity x	Class Others y	Total	Total as a % of (A+B+C)	No. of Shares Underlying Out stating convertible 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) No. (a)	As a % of total shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) No. (a)	As a % of total shares held (b)	Number of equity shares held in dematerialized form (XIV)
(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)							
									Class Equity x	Class Others y	Total				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
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 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 demat erialized form (XIV)
									No of Voting Rights			Total as a % of Total Voting Rights							
									Class Equity x	Class Others y	Total				No. (a)	As a % of total shares held (b)	No. (Not appli cable) (a)	As a % of total shares held (b)	
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	AADCI6523Q	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 demat erialized form (XIV)
									No of Voting Rights			Total as a % of Total Voting Rights							
									Class Equity x	Class Others y	Total				No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)	As a % of total shares held (b)	
(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

	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 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 appli cable) (a)	As a % of total shares held (b)	
									Class Equity x	Class Others y	Total								
(e)	Any Other(DIRECTORS RELATIVES)		2	3000	0	0	3000	0.00	3000	0	3000	0.00	0	5.23	0	0.00	NA	NA	3000
(e)	Any Other(EMPLOYEE)		8	8776	0	0	8776	0.01	8776	0	8776	0.01	0	0.01	0	0.00	NA	NA	8776
(e)	Any Other(FOREIGN NATIONALS)		4	150000	0	0	150000	0.12	150000	0	150000	0.12	0	0.12	0	0.00	NA	NA	25000
(e)	Any Other(NON RESIDENT INDIANS (NON REPAT))		41	327957	0	0	327957	0.27	327957	0	327957	0.27	0	0.27	0	0.00	NA	NA	327957
(e)	Any Other(NON RESIDENT INDIANS (REPAT))		97	377694	0	0	377694	0.31	377694	0	377694	0.31	0	5.23	0	0.00	NA	NA	327957
(e)	Any Other(OVERSEAS BODIES CORPORATES)		3	1133560	0	0	1133560	0.92	1133560	0	1133560	0.92	0	5.23	0	0.00	NA	NA	1133560
	SUB TOTAL (B)(3)		**9586**	**57067726**	**0**	**0**	**57067726**	**46.39**	**57067726**	**0**	**57067726**	**46.39**	**0**	**46.39**	**1218187**	**0.99**	**NA**	**NA**	**56892989**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		**9590**	**59564220**	**0**	**0**	**59564220**	**48.42**	**59564220**	**0**	**59564220**	**48.42**	**0**	**48.42**	**1218187**	**0.99**	**NA**	**NA**	**59389483**

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): 0

“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 above format needs to be disclosed along with the name of following persons:

Institutions/Non Institutions holding more than 1% of total number of shares.”

Table IV - STATEMENT SHOWING SHAREHOLDING PATTERN OF THE NON PROMOTER - NON PUBLIC SHAREHOLDER

	Category & Name of the shareholders (I)	PAN (II)	No. of Share holders (III)	No. of fully paid up equity Share held (IV)	Partly paid-up equity Share held (V)	No.s of 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 Votting Rights held in each class of securities (IX)				No. of Shares Underlying Outstating 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	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	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 bame 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

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 9th Day Of December, 2019 Passed By The Hon'ble National Company Law Tribunal, Mumbai Bench)

Time & Date: 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-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 Tuesday, the 14th January, 2020 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.

Affix Revenue Stamp Rs.1/-

Signed ____________ this day of ________2020

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
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 Unsecured Creditors of Arshiya Limited ("the Company")

(Convened Pursuant to The Order Dated 9th Day Of December, 2019 Passed By The Hon'ble National Company Law Tribunal, Mumbai Bench)

Time & Date: 02:00 a.m.(1400 Hrs), Tuesday, 14th January, 2020

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

Name of the Unsecured Creditor (s):	
Registered Address:	
E-mail Id:	

I/We, being the Unsecured 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 Tuesday, the 14th January, 2020 at 02.00 p.m. (1400 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.

Affix Revenue Stamp Rs.1/-

Signed ____________ this day of ________2020

Signature of Unsecured 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 Unsecured 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 I 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 9th Day Of December, 2019 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 Tuesday, the 14th January, 2020 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

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 I Website: www.arshiyalimited.com

Attendance Slip for Meeting of all the Unsecured Creditors of Arshiya Limited ("the Company").

(Convened Pursuant to The Order Dated 9th Day Of December, 2019 Passed By The Hon'ble National Company Law Tribunal, Mumbai Bench)

I, a Unsecured Creditor/ proxy / authorised representative for a such Creditor of the Company, hereby record my presence at the said Meeting of the Company on Tuesday, the 14th January, 2020 at 02:00 p.m.(1400 Hrs) at 302, Level 3, Ceejay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400018, Maharashtra.

<table>
<tr><td colspan="3">Name and Address of the Unsecured Creditor :</td></tr>
<tr><td rowspan="2">If Unsecured Creditor(s) please sign here</td><td colspan="2">If Proxy, please mention name and sign here</td></tr>
<tr><td>Name of Proxy</td><td>Signature</td></tr>
</table>

Notes:

(1) Unsecured 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 9th Day Of December, 2019 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
Time & Date for Unsecured Creditors: 02:00 p.m (1400 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

Sl. No.	**Particulars**	**Details**		
1.	Name of the Secured/unsecured Creditor (In block letters)			
2.	Postal address			
3.	Class of Creditor (Please tick appropriate box)			
		Secured	Unsecured	
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/Unsecured Creditor)

Site Map to the Venue