Arshiya

Ref: AL/SE/0518/02

Date: 24th May, 2018

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra- Kurla Complex,
Bandra (East),
Mumbai - 400051.
Fax No. 2659 8237 / 38

Corporate Relationship Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
2nd Floor, Dalal Street,
Mumbai – 400 001
Fax No. 2272 3121/ 2037

Re.: - Arshiya Limited – **NSE Scrip Name: ARSHIYA**
BSE Scrip Code: 506074

Sub: Outcome of the Board Meeting held today i.e. Thursday, 24th May, 2018

Dear Sir/Madam,

This is to inform you that the Board of Directors of the Company at its meeting held today i.e. Thursday, 24th May, 2018, has *inter-alia*:

1. Considered, approved and taken on record the Audited Financial Results (Standalone and Consolidated) for the 4th quarter and year ended 31st March, 2018 which was reviewed by the Audit Committee and considered and approved by the Board and M/s. Chaturvedi & Shah., Statutory Auditors of the Company.

   Pursuant to Regulation 30, 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Audited Financial Results (Standalone and Consolidated) along with Report of the Statutory Auditors and Disclosure of the Impact of Audit Qualifications (Standalone and Consolidated) is enclosed herewith for your reference and records.

2. Approved appointment of Mr. T. S. Bhattacharya DIN (00157305) as an Independent Director (Additional Director) on the Board of the Company. He shall hold office as an Independent Director for a period of 5 years subject to approval of the shareholders at ensuing Annual General Meeting. A brief profile Mr. Bhattacharya is as enclosed herewith as ***Annexure – A***. Mr. Bhattacharya is neither related to any of the Directors or KMP nor promoters of the Company.

Arshiya Limited Mumbai

3. Considered and approved Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 between Arshiya Limited ("AL" or "Demerged Company") and Arshiya Rail Infrastructure Limited ("ARIL" or "Resulting Company"), currently being wholly owned subsidiary of AL, and their respective shareholders ("The Scheme).

   - Upon the Scheme becoming effective, existing shareholding of ARIL held by AL shall stand cancelled without any payment and ARIL will issue One (1) Equity Share of the face value of INR 2/- (Rupees Two Only), each fully paid -up, on a proportionate basis to the members holding fully paid-up equity shares in AL as on Record date for every 2 (Two) fully paid-up equity shares of INR 2/- (Rupees Two Only) each of AL.

   - The equity shares of ARIL to be issued to the shareholders of the Company pursuant to the Scheme shall be listed on the stock exchanges viz. BSE and NSE (subject to listing permission being granted by the stock exchanges).

The company has modified its business model as a developer of industrial warehouses and subsequently monetization of such operating warehouses. The company also has an asset light subsidiary in 3PL business operating FTWZ and Domestic Warehousing.

The Meeting of the Board of Directors commenced at 13:00 Hrs and ended at 22:45.

Thanking you.

Yours faithfully,

For ARSHIYA LIMITED

Arshiya Limited Mumbai

Savita Dalal
Company Secretary & Compliance Officer

ANNEXURE-A

Mr. Bhattacharya holds a Masters' Degree in Science (Nuclear Physics). After retiring from State Bank of India as MD, Mr. Bhattacharya joined E&Y. As a Thought Leader, Mr. Bhattacharya has lead the Debt & Restructuring Advisory practice in India for E&Y. Mr. Bhattacharya has more than 40 years of rich experience of Indian banking, including years of experience as the head of India's premier bank.

Arshiya Limited
Mumbai

Independent Auditors' Report on the Statement of Consolidated financial results

To,

The Board of Directors of Arshiya Limited

1. We have audited the accompanying 'Statement containing the audited consolidated financial results for the quarter and year ended March 31, 2018' and the 'Consolidated Balance Sheet as at March 31, 2018' of **Arshiya Limited** (the 'Parent Company') and its subsidiaries (hereinafter referred together referred to as the "Group") together with the notes thereon (hereinafter referred to as the "Statement") attached herewith, which we have signed under reference to this report, being submitted by the Parent Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the listing regulations'). We draw your attention to Note 2.2 of the Statement regarding the figures for the quarter ended March 31, 2018, which are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year which were neither audited nor reviewed.

Management's Responsibility for the Statements

2. Management is responsible for the preparation of the accompanying Statement. The Management is also responsible for the preparation of the annual consolidated financial statements in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (the "accounting principles generally accepted in India"), which is approved by Board of Directors of the Parent Company, on the basis of which the above Statement including the annual audited consolidated financial results has been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

Head Office: 714-715, Tulsiani Chambers, 212, Nariman Point, Mumbai - 400 021, India. Tel.: +91 22 3021 8500 • Fax :+91 22 3021 8595
URL : www.cas.ind.in

Branch : Bengaluru

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Statement.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

6. *As mentioned in Note no. 8 of the Statement, as per debt covenant of Restructuring Agreement (RA), the Group is required to adhere to repayment schedule and such event of default gives Edelweiss Assets Reconstruction Company Limited (EARC) 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 and its respective Subsidiaries. Pending exercise of conversion right, the Group continues to disclose amount bifurcated between non-current borrowing amounting to Rs. 1242,27.28 Lakh and current maturity of borrowing amounting to Rs. 5671.09 Lakh and provide for interest. Further, the Group is also liable to pay penal interest amounting to Rs. 1099.43 Lakh for the year ended 31st March 2018, as confirmed by EARC. No provision for such interest is made in the books of account, which is not in compliance with requirements of Ind AS - 23 on "Borrowing Cost". Had provision for such amount would have been made finance cost would have been higher by amount as mentioned above, total comprehensive income would have been lower to that extent and having consequential inpact on other equity and financial liabilities.*

7. *As mentioned in Note no. 13 of the Statement, the Parent Company failed to adhere to the repayment schedule prescribed in supplement consent terms. As a result, event of default has occurred and the entire debt prior to date of settlement become payable along with interest. The Parent Company has not reversed amount written back on settlement of first consent terms of Rs. 1719.59 Lakh and not accrued interest amounting to Rs. 237.50 Lakh. Had the Parent Company reversed the amount written back and made provision for interest finance cost and other expenses would have been higher by amount as mentioned above, having consequential impact on total comprehensive income, other equity and financial liabilities*

8. *As mentioned in Note no. 19 of the Statement, banks revoked the Corporate Debt Restructuring (CDR) package in December 2015 in subsidiaries. Those subsidiaries continued to accounts for interest on such borrowings at interest rate prescribed in CDR package instead of original loan documents. Pending finalization and confirmations, differential interest cannot be ascertained / quantified and have not been recognized in the books of account.*

CHATURVEDI & SHAH
MUMBAI
CHARTERED ACCOUNTANTS

CHATURVEDI & SHAH
Chartered Accountants

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us *except for the possible effects of the matter described in Para 6 to 8 above "Basis for Qualified Opinion* and based on the consideration of the reports of the other auditor referred to in paragraph 12 below :

(i) the Statement includes the results of following Subsidiaries:-
- Arshiya Lifestyle Limited
- Arshiya Logistics Services Limited {Earlier known as Laxmipati Balaji Exim Trading Limited} (with effect from 13th June 2017)
- Arshiya Transport and Handling Limited
- Arshiya Rail Infrastructure Limited
- Arshiya Northern FTWZ Limited
- Arshiya Industrial & Distribution Hub Limited
- Arshiya Technologies (India) Private Limited
- Arshiya Rail Siding and Infrastructure Limited (till 3rd February 2018)
- Arshiya Supply Chain Management Limited (till 22nd March 2018)

(ii) the Statement, together with the notes thereon are presented in accordance with the requirements prescribed under the listing regulations in this regard; and

(iii) the consolidated audited results for the quarter and year ended March 31, 2018 as set out in the Statement gives a true and fair view of the consolidated net profit (including other comprehensive income) and other financial information in accordance with the accounting principles generally accepted in India.

Emphasis of Matters

10. We draw attention to the Note no. 17 to the Statement, which indicates that the certain Subsidiaries has incurred net losses, unable to meet its financial obligations and as of that date their accumulated losses is resulting in negative net worth of those subsidiaries and current liabilities have exceeded their current assets. These conditions, along with other matters as set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about those subsidiaries ability to continue as a going concern. Arshiya Limited, the Parent Company, has given a support letter to extend, for the foreseeable future, any financial support which may be required by those subsidiaries. Further, in view of various steps taken by the management, future outlook as assessed by the management and the business plans and in lieu of the support letter from the Parent Company, the management has assessed those subsidiaries continues to be going concern.

CHATURVEDI & SHAH CHARTERED ACCOUNTANTS MUMBAI

CHATURVEDI SHAH
Chartered Accountants

11. We draw attention to the Note no. 22 of the Statement, reconciliation and balance confirmations of trade receivables, trade payables and loan and advances are not available in certain subsidiaries. The accounting impact of variations, if any, will be accounted as and when the same is settled.

Our opinion is not modified in respect of the said above matters.

Other Matters

12. The financial statements of 3 subsidiaries included in the Statement which reflects total assets of Rs. 5658.54 Lakh as at March 31, 2018 and total revenues of Rs. 8502.22 Lakh, for the year then ended, have been audited by Deloitte Haskins and Sells LLP, Chartered Accountants (Firm registration no. 117366W/W-100018), financial statements / financial information have been furnished to us by management and our opinion on the Statement in so far as it related to this subsidiaries are based on reports of other auditor of those subsidiaries on which we have placed reliance. Our opinion on the consolidated financial results is not modified in respect of the said matter with respect to our reliance on the work done and the reports of the other auditor.

13. The Group had prepared the audited consolidated financial statements for the corresponding year ended March 31, 2017 included in the statement in accordance with the Companies (Accounting Standards) Rules, 2006 referred to in Section 133 of the Act, on which M. A. Parikh & Co., Chartered Accountants (Firm registration no. 107556W) vide their audit report dated May 18, 2017 had issued an modified audit report. The Consolidated financial statements for the year ended March 31, 2017 are based on previously audited consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us, read with paragraphs 12 above.

Our opinion is not modified in respect of the above said matters.

For Chaturvedi & Shah
Firm Registration No: 101720W
Chartered Accountants

Napawaliya

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: May 24, 2018

Arshiya Limited

CIN: L93000MH1981PLC024747
Registered Office: 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai- 400 018
Phone No. 022 42305500 # Email id: info@arshiyalimited.com #
website: www.arshiyalimited.com

AUDITED CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

(Rs. in Lakh)

Sr.No.	Particulars	As at 31.03.2018	As at 31.03.2017
I	**ASSETS**		
	Non-Current Assets		
	(a) Property, Plant and Equipment	2,82,377.19	3,15,449.26
	(b) Goodwill on Consolidation	19.17	-
	(c) Intangible Assets	5,036.75	3,547.25
	(d) Financial Assets		
	(i) Other Financial Assets	1,732.58	-
	(e) Other Non-Current Assets	4,822.26	3,097.15
		2,93,987.95	**3,22,093.66**
	Current assets		
	(a) Inventories	15.66	15.73
	(b) Financial Assets		
	(i) Trade Receivables	2,742.67	2,369.45
	(ii) Cash and Cash Equivalents	1,285.84	332.93
	(iii) Bank Balances Other than (ii) above	498.54	519.29
	(iv) Other Financial Assets	12,413.89	117.10
	(c) Other Current Assets	4,289.67	4,544.37
		21,246.27	**7,898.87**
	Total Assets	**3,15,234.22**	**3,29,992.53**
II	**EQUITY AND LIABILITIES**		
	Equity		
	(a) Equity Share capital	4,564.34	3,123.59
	(b) Other Equity	69,665.49	28,977.19
		74,229.83	**32,100.78**
	Liabilities		
	Non Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	1,40,059.93	1,46,277.20
	(ii) Other Financial Liabilities	1,942.39	2,801.86
	(b) Provisions	203.82	123.49
	(c) Other Non-Current Liabilities	1,723.69	2,946.00
		1,43,929.83	**1,52,148.55**
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	13,753.15	6,994.61
	(ii) Trade Payables	1,926.99	1,732.57
	(iii) Other Financial Liabilities	77,689.98	1,31,567.62
	(b) Other Current Liabilities	3,682.01	5,426.61
	(c) Provisions	22.43	21.79
		97,074.56	**1,45,743.20**
	Total Equity and Liabilities	**3,15,234.22**	**3,29,992.53**

CHATURVEDI & SHAH CHARTERED ACCOUNTANTS MUMBAI

Arshiya Limited Mumbai

Arshiya Limited

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Dr. Annie Besant Road, Worli, Mumbai- 400 018
Phone No. 022 42305500 # Email id: info@arshiyalimited.com # website: www.arshiyalimited.com

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON 31ST MARCH, 2018

(Rs. In Lakh)

Sr.No.	Particulars	Quarter Ended			Year Ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(Refer Note No.2.2)	(Unaudited)	(Refer Note No.2.2)	(Audited)	(Audited)
1	**Revenue**					
	(a) Revenue from operations	6,585.87	5,824.67	7,735.58	25,906.69	26,885.14
	(b) Other Income	1,147.48	125.91	151.77	1,665.19	633.82
	Total Income	**7,733.35**	**5,950.58**	**7,887.35**	**27,571.88**	**27,518.96**
2	**Expenses**					
	(a) Material Handling and Other Charges	750.44	168.96	509.11	1,211.35	1,017.02
	(b) Freight Expenses	2,516.72	2,364.55	4,608.24	11,668.31	13,967.55
	(c) Terminal Expenses	85.38	71.30	90.49	304.26	388.74
	(d) Other Operating Expenses	156.51	78.30	122.61	374.90	472.71
	(e) Operating Lease Rent	902.54	-	-	902.54	-
	(f) Employee benefits expense	857.18	915.77	879.02	3,634.54	3,560.90
	(g) Finance costs	4,434.33	7,648.21	6,090.40	29,655.06	29,472.73
	(h) Depreciation and amortization expense	2,445.10	3,529.70	2,638.32	10,171.76	10,791.28
	(i) Other expenses	813.20	1,160.90	838.71	4,047.50	3,777.87
	Total Expenses	**12,961.40**	**15,937.69**	**15,776.90**	**61,970.22**	**63,448.80**
3	**Profit/(Loss) befor exceptional and Tax (1-2)**	**(5,228.05)**	**(9,987.11)**	**(7,889.55)**	**(34,398.34)**	**(35,929.84)**
4	Exceptional Items (Net) (Refer Note No. 18)	(37,439.57)	(1,501.31)	(77.31)	(39,473.20)	2,332.06
5	**Profit/(Loss) before tax (3-4)**	**32,211.52**	**(8,485.80)**	**(7,812.24)**	**5,074.86**	**(38,261.90)**
6	Tax expense	(11.38)	-	2.63	27.42	2.63
7	**Net profit/(Loss) after Tax (5-6)**	**32,222.90**	**(8,485.80)**	**(7,814.87)**	**5,047.44**	**(38,264.53)**
8	**Other Comprehensive Income**					
	Item that will not be reclassified to profit and loss:					
	Remeasurement of gains (losses) on defined benefit plans	(7.22)	(2.45)	(4.10)	(9.67)	(15.14)
9	**Total Comprehensive Income**	**32,215.68**	**(8,488.25)**	**(7,818.97)**	**5,037.77**	**(38,279.67)**
10	**Profit attributable to:**					
(a)	Owenr of the parent	32,222.90	(8,485.80)	(7,814.87)	5,047.44	(38,264.53)
(b)	Non-controlling interest	-	-	-	-	-
		32,222.90	**(8,485.80)**	**(7,814.87)**	**5,047.44**	**(38,264.53)**
11	**Other Comprehensive Income attributable to:**					
(a)	Owenr of the parent	(7.22)	(2.45)	(4.10)	(9.67)	(15.14)
(b)	Non-controlling interest	-	-	-	-	-
		(7.22)	**(2.45)**	**(4.10)**	**(9.67)**	**(15.14)**
12	**Total Comprehensive Income attributable to:**					
(a)	Owenr of the parent	32,215.68	(8,488.25)	(7,818.97)	5,037.77	(38,279.67)
(b)	Non-controlling interest	-	-	-	-	-
		32,215.68	**(8,488.25)**	**(7,818.97)**	**5,037.77**	**(38,279.67)**
13	**Paid-up equity share capital (Face value per share Rs. 2)**	**4,564.34**	**4,456.84**	**3,123.59**	**4,564.34**	**3,123.59**
14	**Other Equity**				**69,665.49**	**28,977.19**
15	**Earnings Per Share (EPS)**					
	- Basic	14.31*	(4.34)*	(5.00)*	2.76	(24.51)
	- Diluted	13.49*	(4.34)*	(5.00)*	2.76	(24.51)
	*not annualised					

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

Arshiya Limited Mumbai

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AUDITED CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED ON 31ST MARCH, 2018

(Rs. in Lakh)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
1	**Segment Revenue**					
	FTWZ/ICD	3,367.43	2,948.30	3,027.01	12,311.86	11,367.28
	Rail Transport Operations	3,198.44	2,876.37	4,721.78	13,598.31	15,543.08
	Domestic Warehouse	20.00	-	-	20.00	-
	Less: Inter Segment	-	-	(13.21)	(23.48)	(25.22)
	Total Revenue from Operations	6,585.87	5,824.67	7,735.58	25,906.69	26,885.14
2	**Segment Results Before Tax and Interest**					
	FTWZ/ICD	(322.73)	(1,312.67)	(427.64)	(1,077.65)	(1,181.00)
	Rail Transport Operations	(17.82)	(840.64)	(971.80)	(2,311.99)	(3,766.18)
	Domestice Warehouse	20.00	-	-	20.00	-
	Total	(320.55)	(2,153.31)	(1,399.44)	(3,369.64)	(4,947.18)
	Less: Unallocated Expenses net of Income	473.17	185.59	399.70	1,373.64	1,509.92
	Less: Finance Costs	4,434.33	7,648.21	6,090.40	29,655.06	29,472.73
	Less: Exceptional Items (Net)	(37,439.57)	(1,501.31)	(77.31)	(39,473.20)	2,332.06
	Profit/(Loss) before tax	32,211.52	(8,485.80)	(7,812.23)	5,074.86	(38,261.89)
3	**Segment Assets**					
	FTWZ/ICD	2,54,291.14	2,66,991.60	2,73,753.26	2,54,291.14	2,73,753.26
	Rail Transport Operations	53,419.38	54,293.57	56,216.80	53,419.38	56,216.80
	Domestic Warehouse	7,522.95	7,499.35	7,499.35	7,522.95	7,499.35
	Unallocated	0.74	13.33	22.47	0.74	22.47
	TOTAL	3,15,234.21	3,28,797.85	3,37,491.88	3,15,234.21	3,37,491.88
4	**Segment Liabilities**					
	FTWZ/ICD	1,78,500.13	2,40,401.15	2,40,157.86	1,78,500.13	2,40,157.86
	Rail Transport Operations	62,481.89	61,302.22	57,707.51	62,481.89	57,707.51
	Domestic Warehouse	3.60	-	-	3.60	-
	Unallocated	18.77	36.82	26.37	18.77	26.37
	TOTAL	2,41,004.39	3,01,740.19	2,97,891.74	2,41,004.39	2,97,891.74

CHATURVEDI & SHAH CHARTERED ACCOUNTANTS MUMBAI

Arshiya Limited Mumbai

Notes to Consolidated Results:-

1. The aforesaid Consolidated Financial Results for Arshiya Limited (Parent Company) and its Subsidiaries (together referred to as the 'Group') were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Parent Company at its meeting held on 24th May, 2018. The Statutory Auditors of the Parent Company have carried out the Audit for the year ended 31st March 2018.

2.1 The Consolidated Financial Results of the Group have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) prescribed under section 133 of the Companies Act, 2013. The Group has adopted Ind AS from 1st April 2017 with a transition date of 1st April 2016. Accordingly, the comparative figures for the quarter and year ended 31st March,2017 have been restated as per Ind AS.

2.2 The figures of the Quarter ended 31st March, 2018 are the balancing figures between the audited figures in respect of the full financial year and the results published up to the third quarter of the financial year 2017-2018.

3. Reconciliation of net loss as reported in previous GAAP to Ind AS is as under:-

		(Rs. in Lakh)
Particulars	Quarter ended 31st March,2017	Year ended 31st March,2017
Net Profit/(Loss) as reported under previous GAAP	(10331.42)	(39266.96)
Add / (Less):- Adjustments under Ind AS		
Revenue recognition as per percentage of completion method (net)	26.10	33.66
Increase in depreciation due to recognition of grant for duty saved on PPE	(91.37)	(365.49)
Government grant – income	91.37	365.49
Fair value of financial instrument	3123.57	2890.67
Actuarial loss on defined benefit plan reclassified to other comprehensive income (OCI)	(0.34)	10.70
Expected credit loss on financial assets	(32.20)	(51.54)
Prior period item adjusted	(462.92)	(1740.07)
Other adjustment	(137.66)	(140.99)

CHATURVEDI & SHAH CHARTERED ACCOUNTANTS MUMBAI

Arshiya Limited Mumbai

Net Profit/(loss) before OCI as per Ind AS	**(7814.87)**	**(38264.53)**
Other Comprehensive Income (OCI):- Measurement of actuarial gain on defined benefit plans	(4.10)	(15.14)
Total Comprehensive Income as reported under Ind AS	**(7818.97)**	**(38279.67)**

4. Reconciliation of total equity as reported in previous GAAP to Ind AS is as under:-

	(Rs. in lakhs)
Particulars	**Year ended 31st March 2017**
Total equity (Shareholder's funds) as per previous GAAP	(73946.60)
Add/(Less): Adjustments under Ind AS	
Revenue recognition as per percentage of completion method (net)	(9.00)
Increase in depreciation due to recognition of grant for duty saved on PPE	(730.98)
Debt convertible into Equity classified as other equity	18766.71
Fair value of OCRPS	88620.84
Government grant – income	730.98
Fair value of financial instrument	4841.97
Actuarial loss on defined benefit plan reclassified to other comprehensive income (OCI)	(10.70)
Expected credit loss on financial assets	(235.43)
Prior period item adjusted	(5592.86)
Other adjustments	137.05
Total Adjustment	
Total equity (Shareholder's funds) as per Ind AS	32,100.79

5. During the quarter and 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

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

Arshiya Limited Mumbai

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.

Prior to above, on 23 November 2017, the Parent Company, interalia, it's subsidiaries and promoters had executed a Share Purchase Agreement of Arshiya Rail Siding and Infrastructure Limited ("ARSIL", 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.

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 quarter and year ended 31st March, 2018 the Parent Company has reduced the value of assets, granted on leasehold rights to ARSIL, from its fixed assets. The gain on grant of leasehold rights to ARSIL 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 ARSIL 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 recognise the net revenue in terms of a business conducting agreement entered into between the Parent company and ALL.

6. 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 quarter. 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 Honourable High

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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 lakhs and the same would be paid on or before 30th June, 2018 which is yet to be confirmed by the PFI. The matter is still to be concluded by the Honourable High Court of Bombay.

7. The Parent Company has agreed to issue equity shares aggregating to Rs. 1,160 Lakh in accordance with an agreement with a bank for conversion of partial liability due to the Bank. Shareholders in the Extra Ordinary General Meeting (EOGM) held on 29th January, 2018 approved the allotment of upto 10,50,000 Equity shares which have been issued on 22nd February, 2018.

8. The Parent Company and its subsidiaries have made substantial repayment as agreed in amortisation schedule of Restructuring Agreement (RA) during the year ended 31st March, 2018. 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 continues to disclose the amount as non-current and current borrowings as per repayment schedule, in the Balance Sheet.

   The Parent Company and its subsidiaries are liable to pay penal interest of Rs. 1099.43 Lakh on the unpaid/ delays amounts for the year ended 31st March, 2018 which has not been provided. Had the Company provided the above penal interest, the finance cost would have been higher to that extent for the year ended and total comprehensive income would have been lower to that extent having consequential impact on other equity and financials liabilities. This matter has been qualified by the Auditors in their Audit Report for the year ended 31st March, 2018.

9. During the year ended 31st March,2018, the Parent Company:

   (i) allotted in aggregate 4,56,62,304 equity shares of Rs.2 each (including equity shares on conversion of OCRPS Series I, II, III and IV) to EARC.

   (ii) pursuant to RA, allotted to the promoters of the Company 1,85,00,000 equity shares, including 85,00,000 equity shares allotted on conversion of 85,00,000 warrants out of 1,00,00,000 warrants issued.

(iii) allotted 25,00,000 equity shares on conversion of warrants to non-promoters.

(iv) allotted 15,50,000 equity shares to a PFI upon conversion of 11,70,000 OCRPS.

(v) allotted 10,50,000 Equity Shares to a Bank as part of restructuring terms.

(vi) allotted 27,75,000 Equity Shares to a NBFC on preferential issue basis

Post allotment of equity shares as mentioned above, paid up equity share capital of the Parent Company is Rs.4,564.34 Lakh comprising of 22,82,16,776 equity shares of Rs.2 each.

10. Subsequent to the year end, in the Board Meeting held on 20th April, 2018 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.

Post allotment of these shares the paid up equity share capital of the company is Rs.4,594.34 lakhs comprising of 22,97,16,776 equity shares of Rs.2 each

11. 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 (Transferee Parent Company), Arshiya Industrial & Distribution Hub Limited (First Transferor Parent Company) and Arshiya Transport & Handling Limited (Second Transferor Parent Company) 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 results. Directions of NCLT are awaited for holding the creditor's meeting in respective companies. No accounting impact and disclosures is considered and necessary at this stage pending requisite regulatory approvals.

12. 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 reorganising different businesses into two entities subject to various approvals.

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 Industrial and Distribution Hub Limited, Arshiya

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Transport & Handling Limited in to Arshiya Rail Infrastructure Limited which is pending with NCLT. No accounting impact and disclosures is considered and necessary at this stage pending requisite regulatory approvals.

13. In respect of consent terms with a Non-Banking Finance Company (NBFC), the Parent Company had signed Supplementary Consent Terms (SCT) with the NBFC in respect of settlement of borrowing. The SCT mainly stipulates revised "Schedule of Payments" and penal interest. The Parent Company has defaulted in making payments as per the SCT. As per provisions of the SCT, if schedule of payment is not complied with, the entire debt prior to date of settlement of dues shall become payable along with interest as per transaction documents till the realisation of entire debt. However the Parent Company has not reversed amount written back on settlement of first consent terms of Rs. 1719.59 Lakh and not accrued interest amounting to Rs. 237.50 Lakh. Had the Parent Company reversed the amount written back and made provision for interest, finance cost and other income would have been higher by amount as mentioned above, having consequential impact on total comprehensive income, other equity and financial liabilities. This matter has been qualified by the Auditor in their Audit Report.

14. During the quarter 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 Parent Company Limited (EARC). Post assignment of loans, EARC has become a secured lender of the Parent Company 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 20998 lakhs.
As a result of this restructuring and assignment of debts of lenders the gain earned amounting to Rs 10,398.92 lakhs has been credited to the profit and loss for the quarter and year ended on 31st March,2018.This has been disclosed as part of an exceptional item.

15. During the quarter and 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 3000 lakhs on 18th January,2018 and issued 1,20,000 OCRPS. Gain of Rs 7790.75 lakhs on this OTS has been credited to the Statement of Profit & Loss as an exceptional item.

16. During the year the Parent Company and a subsidiary i.e. Arshiya Northern FTWZ Ltd ("ANFTZ") have divested their entire investment in

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

Arshiya Limited Mumbai

one of subsidiary namely Arshiya Supply Chain Management Limited (ASCM) on 2nd January 2018 by way 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.3948.38 Lakhs gain is accounted in consolidated financial results which has been considered as exceptional item during the year ended 31st March 2018.

17. Certain subsidiaries has incurred net losses and their accumulated losses are resulting in negative net worth of those subsidiaries and current liabilities have exceeded their current assets. These subsidiaries are yet to achieve its full operational potential. Meanwhile certain lenders have recalled its loan in subsidiary companies and the respective companies are in the process of negotiating the revised payment terms with the creditors.

As mentioned in note no. 5, 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. Arshiya Limited, 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 financial results have accordingly been continued to be prepared on going concern basis.

18. Exceptional item for the quarter and year ended 31st March, 2018 represents the following:

(Rs. In lakhs)

Sr. No.	Particulars	Quarter ended 31st March 2018	Year ended 31st March 2018
1	Gain on grant of long term lease of certain assets at Panvel FTWZ	15,633.29	15,633.29
2	Gain on divestment of a subsidiary	4314.69	4314.69
3	Restructuring/settlement of loans	17756.20	20040.87
4	Others	(264.60)	(515.65)
	Total	37439.58	39473.20

19. Certain banks of subsidiaries revoked the Corporate Debt Restructuring (CDR) package in July 2015 since those subsidiaries were not able to fulfil the terms and conditions laid down in CDR package. Accordingly, the

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Arshiya Limited Mumbai

banks are entitled to exercise rights and remedies available under the original loan documents. In the absence of any communication from banks regarding interest rate on borrowing, those subsidiaries continued to accounts for interest on such borrowings at interest rate prescribed in CDR package instead of original loan documents. Further, banks are also entitled to penal interest on overdue amount of interest and principles. Pending finalisation and confirmations, such differential interest cannot be ascertained / quantified and have not been recognised in the books of account. This matter has been qualified by the Auditor in their Audit Report.

20. Net deferred tax asset is not recognised as there is no convincing evidence that sufficient taxable profit will be available against which the unused tax losses will be utilised by the Parent Company and its Subsidiaries.

21. As per Ind AS 108 "Operating Segment" the Group has identified and reported segment information in three segments as under :

(i) Developing and operating free trade warehousing zone / inland container depot (FTWZ / ICD),
(ii) Rail Transport Operations.
(iii) Domestic Warehousing
The assets and liabilities that cannot be allocated between the segments are shown as unallocable assets and liabilities respectively.

22. In certain subsidiaries, reconciliation and balance confirmations of trade receivables, trade payables and loan and advances are not available. The accounting impact of variations, if any, will be accounted as and when the same is settled.

23. The figures for the previous period/year have been re-grouped/ re-classified/ re-arranged, wherever necessary, to correspond with the current period's classification/disclosure.

For and on behalf of Board of Directors of
Arshiya Limited

Arshiya Limited
Mumbai

CHATURVEDI & SHAH
CHARTERED ACCOUNTANTS
MUMBAI

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

Place: Mumbai
Date: 24th May, 2018

ARSHIYA LIMITED

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018
[*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Rs. in Lakhs

I.	Sl. No.	Particulars	Audited Figures as of Mar-2018 (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	27571.88	27571.88
	2.	Total Expenditure (net of exceptional item)	-22497.02	-25553.54
	3.	Net Profit/(Loss)	5047.44	1990.92
	4.	Earnings Per Share (in Rupees per share)	2.76	1.27
	5.	Total Assets	315234.22	315234.22
	6.	Total Liabilities	241004.39	244060.91
	7.	Net Worth as per Ind-As	74229.83	71173.31
	8.	Any other financial item(s) (as felt appropriate by the management)		

II. a. Audit Qualification (each audit qualification separately):

Details of Audit Qualification: In respect of default of debt covenant of restructuring agreement with Edelweiss Assets Reconstruction Company Limited (EARC), the company has not provided penal interest of Rs 1099.43 lakhs as referred in Point No 6 of Auditors Report.

b. **Type of Audit Qualification :** Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~

c. **Frequency of qualification:** ~~Whether appeared first time~~ / repetitive / ~~since how long continuing~~

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The Company is negotiating the with EARC for the waiver of penal interest.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) **Management's estimation on the impact of audit qualification: NA**

(ii) **If management is unable to estimate the impact, reasons for the same: NA**

(iii) **Auditors' Comments on (i) or (ii) above: NA**

II. b.	**Audit Qualification (each audit qualification separately):**
	a. Details of Audit Qualification: In respect of default in payments to an NBFC under the consent terms, the parent company has not provided additional interest expenses of Rs 237.50 lakhs and not written down the gain accounted on the settlement of first consent terms of Rs 1,719.59 lakhs as referred in Point no 7 of Audit Report.
	b. **Type of Audit Qualification :** Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~
	c. **Frequency of qualification:** ~~Whether appeared first time~~ / repetitive / ~~since how long continuing~~
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The parent company has made the partial payments under the consent terms and is under negotiation with the NBFC for extension of the additional time.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) **Management's estimation on the impact of audit qualification: NA**
	(ii) **If management is unable to estimate the impact, reasons for the same:NA**
	(iii) **Auditors' Comments on (i) or (ii) above:NA**
II. c.	**Audit Qualification (each audit qualification separately):**
	a. **Details of Audit Qualification:** Bank revoked Corporate Debt Restructuring (CDR) package in December 2015 of subsidiaries. These subsidiaries continue to account for interest on such borrowings at interest rate prescribed in the CDR package instead of interest rate prescribed in original loan documents.
	b. **Type of Audit Qualification :** Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~
	c. **Frequency of qualification:** ~~Whether appeared first time~~ / repetitive / ~~since how long continuing~~
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) **Management's estimation on the impact of audit qualification:** Post CDR exit, lenders are entitled to exercise rights and remedies available under the original loan documents. However in the absence of any communication from these Banks, the group has not provided for additional interest from CDR cut-off date.
	(ii) **If management is unable to estimate the impact, reasons for the same:** Impact is un-ascertainable.

	(iii) **Auditors' Comments on (i) or (ii) above:** Impact is un-ascertainable

Arshiya Limited Mumbai

III.	**Signatories:**	
	Mr. Ajay S Mittal **Chairman & Managing Director**	
	Mr. S Maheshwari **Group President & CFO**	
	Mr. Ashishkumar Bairagra **Audit Committee Chairman**	
	Mr. Vijay Napawaliya Partner, M/s. Chaturvedi & Shah **Statutory Auditor**	
Place: Mumbai		
Date: 24th May, 2018		

Arshiya Limited
Mumbai

Independent Auditors' Report on the Statement of Standalone financial results

To,

The Board of Directors of Arshiya Limited

1. We have audited the accompanying 'Statement containing the audited standalone financial results for the quarter and year ended March 31, 2018' and the 'Standalone Balance Sheet as at March 31, 2018' together with notes thereon (hereinafter together referred as "Statement") of **Arshiya Limited** (the "Company") attached herewith, which we have signed under reference to this report, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations)'. We draw your attention to Note 2.2 of the Statement regarding the figures for the quarter ended March 31, 2018, which are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year which were subjected to limited review by us.

Management's Responsibility for Statement

2. Management is responsible for the preparation of the accompanying Statement. The Management is also responsible for the preparation of the annual standalone statutory financial statements in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 {the "accounting principles generally accepted in India", i.e. Companies (Indian Accounting Standard) Rules, 2015 ("Ind AS")}, which is approved by the Board of Directors, on the basis of which the above Statement containing the annual audited standalone financial results has been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

CHATURVEDI & SHAH
MUMBAI
CHARTERED ACCOUNTANTS

CHATURVEDI SHAH
Chartered Accountants

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Statement.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

6. *As mentioned in Note no. 8 of the Statement, as per debt covenant of Restructuring Agreement (RA) the Company is required to adhere to repayment schedule and such event of default gives Edelweiss Assets Reconstruction Company Limited (EARC) 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. Pending exercise of conversion right, the Company continues to disclose amount bifurcated between non-current borrowing amounting to Rs. 536,88.13 Lakh and current maturity of borrowing amounting to Rs.56,71.08 Lakh and provide for interest. Further, the Company is also liable to pay penal interest amounting Rs. 10,65.92 Lakh for the year ended 31st March 2018, as confirmed by EARC. No provision for such interest is made in the books of account, which is not in compliance with requirements of Ind AS - 23 on "Borrowing Cost". Had provision for such amount would have been made finance cost would have been higher by amount as mentioned above, total comprehensive income would have been lower to that extent and having consequential impact on other equity and financial liabilities.*

7. *As mentioned in Note no. 12 of the Statement, the Company failed to adhere to the repayment schedule prescribed in supplement consent terms. As a result, event of default has occurred and the entire debt prior to date of settlement become payable along with interest. The Company has not reversed amount written back on settlement of first consent terms of Rs. 1719.59 Lakh and not accrued interest amounting to Rs. 237.50 Lakh. Had the Company reversed the amount written back and made provision for interest, finance cost and other expense would have been higher by amount as mentioned above, having consequential impact on total comprehensive income, other equity and financial liabilities.*

8. *We draw attention to the Note no. 9 of the Statement, wherein it is mentioned that lenders of the one subsidiary have invoked corporate guarantee given by the Company and no accounting impact of the same is recognised in the books of account pending settlement of the matter. The same is not in compliance with requirements of Ind AS - 109 on "Financial Instruments". We are unable to comment on the consequential impact, if any, on financial results for the quarter and year ended 31st March 2018.*

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CHARTERED ACCOUNTANTS

Continuation sheet...

CHATURVEDI & SHAH
Chartered Accountants

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us *except for the possible effects of the matter described in Para 6 to 8 above "Basis for Qualified Opinion*:

(i) the Statement, together with the notes thereon are presented in accordance with the requirements of the listing regulations in this regard; and

(ii) the Audited results for the quarter and year ended March 31, 2018 as set out in the Statement gives a true and fair view of the net profit (including other comprehensive income) and other financial information in accordance with the accounting principles generally accepted in India.

Other Matter

10. The Company had prepared the audited standalone financial results for the corresponding year ended March 31, 2017 included in the statement in accordance with the Companies (Accounting Standards) Rules, 2006 referred to in Section 133 of the Act, on which M. A. Parikh & Co., Chartered Accountants (Firm registration no. 107556W) vide their audit report dated May 18, 2017 had issued an modified audit report. The financial results for the year ended March 31, 2017 are based on the previously audited financial results prepared in accordance with the Companies (Accounting Standards), Rules, 2006 as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

For Chaturvedi & Shah
Firm Registration No: 101720W
Chartered Accountants

Napawaliya

CHATURVEDI & SHAH
MUMBAI
CHARTERED ACCOUNTANTS

Vijay Napawaliya
Partner
Membership No. 109859

Place: Mumbai
Date: May 24, 2018

Arshiya Limited

CIN: L93000MH1981PLC024747
Registered Office: 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai- 400 018
Phone No. 022 42305500 # Email id: info@arshiyalimited.com #
website: www.arshiyalimited.com

AUDITED STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in Lakhs)

Sr.No.	Particulars	As at 31.3.2018	As at 31.03.2017
I	**ASSETS**		
	Non-Current Assets		
	(a) Property, Plant and Equipment	94,138.63	1,23,512.47
	(b) Intangible Assets	1,235.96	432.02
	(c) Financial Assets		
	(i) Investments	1,32,018.03	1,36,033.06
	(ii) Loans	1,731.47	1,545.96
	(d) Other Non-Current Assets	2,273.81	1,483.52
		2,31,397.90	**2,63,007.03**
	Current assets		
	(a) Financial Assets		
	(i) Trade Receivables	764.60	217.80
	(ii) Cash and Cash Equivalents	135.69	77.16
	(iii) Bank Balances Other than (ii) above	0.04	0.04
	(iv) Loans	33,279.99	1.80
	(v) Other Financial Assets	1,458.30	-
	(b) Other Current Assets	2,319.64	2,130.56
		37,958.26	**2,427.36**
	Total Assets	**2,69,356.16**	**2,65,434.39**
II	**EQUITY AND LIABILITIES**		
	Equity		
	(a) Equity Share capital	4,564.34	3,123.59
	(b) Other Equity	1,61,263.30	1,19,737.06
		1,65,827.64	**1,22,860.65**
	Liabilities		
	Non Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	68,839.87	74,136.67
	(ii) Other Financial Liabilities	2,191.60	9,369.97
	(b) Provisions	151.02	132.36
	(c) Other Non-Current Liabilities	-	1,631.48
		71,182.49	**85,270.48**
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	10,488.81	4,942.09
	(ii) Trade Payables	582.55	367.80
	(iii) Other Financial Liabilities	20,202.62	50,093.58
	(b) Other Current Liabilities	1,062.48	1,890.87
	(c) Provisions	9.57	8.92
		32,346.03	**57,303.26**
	Total Equity and Liabilities	**2,69,356.16**	**2,65,434.39**

CHATURVEDI & SHAH
CHARTERED ACCOUNTANTS
MUMBAI

Arshiya Limited
Mumbai

Arshiya Limited

CIN: L93000MH1981PLC024747

Registered Office: 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai- 400 018
Phone No. 022 42305500 # Email id: info@arshiyalimited.com # website: www.arshiyalimited.com

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON 31ST MARCH, 2018

(Rs. in Lakh)

Sr.No.	Particulars	Quarter Ended			Year Ended	
		31.3.2018	31.12.2017	31.3.2017	31.3.2018	31.3.2017
		(Refer Note No.2.2)	(Unaudited)	(Refer Note No.2.2)	(Audited)	(Audited)
1	**Income**					
	(a) Revenue from operations	1,831.02	2,491.62	2,004.14	8,542.02	8,073.39
	(b) Other Income	398.67	196.32	263.37	1,020.09	974.73
	Total Income	**2,229.69**	**2,687.94**	**2,267.51**	**9,562.11**	**9,048.12**
2	**Expenses**					
	(a) Material Handling and Other Charges	41.45	88.40	69.22	320.61	301.09
	(b) Employee benefits expense	358.19	364.68	334.66	1,456.61	1,366.49
	(c) Finance costs	1,603.37	2,921.40	2,594.16	12,458.52	13,049.51
	(d) Depreciation and amortization expense	444.71	781.02	508.25	2,091.67	2,181.46
	(e) Other expenses	313.59	398.27	279.90	1,332.46	1,197.25
	Total Expenses (a+b+c+d+e)	**2,761.31**	**4,553.77**	**3,786.19**	**17,659.87**	**18,095.80**
3	**Profit/(Loss) before exceptional items and Tax (1-2)**	**(531.62)**	**(1,865.83)**	**(1,518.68)**	**(8,097.76)**	**(9,047.68)**
4	Exceptional Items (Net) (Refer Note No.18)	(11,263.21)	(1,501.31)	(3,240.67)	(13,296.84)	(2,030.04)
5	**Profit/(Loss) before tax (3-4)**	**10,731.59**	**(364.52)**	**1,721.99**	**5,199.08**	**(7,017.64)**
6	Tax expense	-	-	-	-	-
7	**Net profit/(Loss) after Tax (5-6)**	**10,731.59**	**(364.52)**	**1,721.99**	**5,199.08**	**(7,017.64)**
8	**Other Comprehensive Income**					
	Items that will not be reclassified to profit and loss:					
	Remeasurement of net defined benefit plan	4.08	(2.26)	(2.26)	(2.69)	(9.03)
9	**Total Comprehensive Income**	**10,735.67**	**(366.78)**	**1,719.73**	**5,196.39**	**(7,026.67)**
10	**Paid-up equity share capital (Face value per share Rs. 2/-)**	**4,564.34**	**4,456.84**	**3,123.59**	**4,564.34**	**3,123.59**
11	**Other Equity**				**1,61,263.30**	**1,19,737.06**
12	**Earnings Per Equity Share (EPS)**					
	- Basic	4.77*	(0.19)*	1.10*	2.84	(4.49)
	- Diluted	4.56*	(0.19)*	1.10*	2.84	(4.49)
	(*not annualised)					

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Notes to Standalone Results:

1. The Audit Committee has reviewed the above results and the Board of Directors has approved these results and its release on 24th May 2018. The Statutory Auditors of the Company have carried out Audit for the year ended 31st March 2018.

2.1 The Financial Results of the Company have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) prescribed under section 133 of the Companies Act, 2013. The Company has adopted Ind AS from 1st April 2017 with a transition date of 1st April 2016. Accordingly the comparative figures for the quarter and year ended 31st March, 2017 have been restated as per Ind AS.

2.2 The figures of the Quarter ended March 31, 2018 are the balancing figures between the Audited figures in respect of the full financial year and the results published up to the third quarter of the financial year 2017-2018.

3. Reconciliation of net loss as reported in previous GAAP to Ind AS is as under:

		(Rs. in Lakh)
Particulars	Quarter ended 31st March 2017	Year ended 31st March 2017
Net Profit/(Loss) as reported under previous GAAP	(1,521.37)	(10,535.11)
Add/(Less): Adjustments under Ind AS		
Fair value of loan to subsidiaries	41.41	165.64
Fair value of financial guarantees	189.89	759.54
Fair value of financial instrument	(46.75)	(243.22)
Actuarial loss on defined benefit plan reclassified to other comprehensive income (OCI)	2.26	9.03
Expected credit loss on financial assets	3.78	(0.36)
Prior period item adjusted	(79.70)	(305.63)
Recognition of financial liabilities at amortised costs	3,132.46	3,132.46
Net Profit/(Loss) before OCI as per Ind AS	1721.28	(7,017.65)
Other Comprehensive Income (OCI): Measurement of actuarial gain on defined benefit plans	(2.26)	(9.03)

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Total Comprehensive Income as reported under Ind AS	1719.72	(7,026.68)

4. Reconciliation of total equity as reported in previous GAAP to Ind AS is as under:-

	(Rs. in lakhs)
Particulars	Year ended 31st March 2017
Total equity (Shareholder's funds) as per previous GAAP	12491.93
Add/(Less): Adjustments under Ind AS	
Fair value of loan to subsidiaries	165.64
Fair value of financial guarantees	759.54
Fair value of financial instrument	3275.56
Debt convertible into Equity classified as other equity	18766.71
Fair value of OCRPS	88620.84
Actuarial loss on defined benefit plan reclassified to other comprehensive income (OCI)	9.03
Expected credit loss on financial assets	(9.36)
Prior period item adjusted	(1210.20)
Other Comprehensive Income (OCI): Measurement of actuarial gain on defined benefit plans	(9.03)
Total Adjustment	110368.73
Total equity (Shareholder's funds) as per Ind AS	122860.66

5. During the quarter and year ended 31st March 2018, 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

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construction funding by Ascendas for future growth of the company's business. The company already possesses the requisite land for the future development.

Prior to above, on 23 November 2017, the company, *interalia*, it's subsidiaries and promoters had executed Share Purchase Agreement of Arshiya Rail Siding and Infrastructure Limited ("ARSIL", 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.

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 quarter and year ended 31st March, 2018 the company has reduced the value of assets, granted on leasehold rights to ARSIL, from its fixed assets. The gain on grant of leasehold rights to ARSIL amounting to Rs. 15,633.29 lakhs 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 ARSIL 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.

In view of the above set of transactions during the quarter, the stand alone results for the quarter and year ended 31st March, 2018 are not comparable with respective previous periods.

6. 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 quarter. 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 Honourable 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

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at Rs. 5,000 lakhs and the same would be paid on or before 30th June, 2018 which is yet to be confirmed by the PFI. The matter is still to be concluded by the Honourable High Court of Bombay.

7. The Company has agreed to issue equity shares aggregating to Rs. 1,160 Lakh in accordance with an agreement with a bank for conversion of partial liability due to the bank. Shareholders in the Extra Ordinary General Meeting (EOGM) held on 29th January, 2018 approved the allotment of upto 10,50,000 Equity shares which have been issued on 22nd February, 2018.

8. The Company has made substantial repayment as agreed in amortisation schedule of Restructuring Agreement (RA) during the year ended 31st March, 2018. 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.

   The Company is liable to pay penal interest of Rs. 1,065.91 Lakh on the unpaid and delayed amounts for the year ended 31st March, 2018 which has not been provided. Had the Company provided the above interest, the finance cost would have been higher to that extent for the year ended and total comprehensive income would have been lower to that extent having consequential impact on other equity and financials liabilities. This matter has been qualified by the Auditors in their Audit Report for the year ended 31st March, 2018.

9. The Company has given corporate financial guarantees to the lead bank on behalf of one of the wholly owned subsidiary. This subsidiary has defaulted in repayment of its loan obligations and two lenders of the consortium have initiated legal recovery proceeding including invocation of corporate guarantees given by the Company for recovery of outstanding dues of Rs 23563.38 Lakhs. The company has made its representation to the banks offering compromise settlement, which is under consideration and till date no adverse order has been received by the company.

   The Company is yet to assess the changes in risk/expected cash shortfall to determine any credit loss to be recognised in respect of these financial guarantees. No accounting impact of the same is recognised in the books of account at this stage pending settlement of the matter. This matter has been qualified by the auditors in their Audit Report.

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10. During the year ended 31st March,2018, the Company:

(i) allotted in aggregate 4,56,62,304 equity shares of Rs.2 each (including equity shares on conversion of OCRPS Series I, II, III and IV) to EARC.

(ii) pursuant to RA, the promoters of the Company have also been allotted 1,85,00,000 equity shares, including 85,00,000 equity shares allotted on conversion of 85,00,000 warrants out of 1,00,00,000 warrants issued.

(iii) allotted 25,00,000 equity shares on conversion of warrants to non-promoters.

(iv) allotted 15,50,000 equity shares to a PFI upon conversion of 11,70,000 OCRPS.

(v) allotted 10,50,000 Equity Shares to a Bank as part of restructuring terms.

(vi) allotted 27,75,000 Equity Shares to a NBFC on preferential issue basis

Post allotment of equity shares as mentioned above, paid up equity share capital of the Company is Rs.4,564.34 Lakh comprising of 22,82,16,776 equity shares of Rs.2 each.

11. Subsequent to the year end, in the Board Meeting held on 20th April, 2018 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.

Post allotment of these shares the paid up equity share capital of the company is Rs.4,594.34 lakhs comprising of 22,97,16,776 equity shares of Rs.2 each.

12. In respect of consent terms with a Non-Banking Finance Company (NBFC), the Company had signed Supplementary Consent Terms (SCT) with the NBFC in respect of settlement of borrowing. The SCT mainly stipulates revised "Schedule of Payments" and penal interest. The Company has defaulted in making payments as per the SCT. As per provisions of the SCT, if schedule of payment is not complied with, the entire debt prior to date of settlement of dues shall become payable along with interest as per transaction

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documents till the realisation of entire debt. However the Company has not reversed amount written back on settlement of first consent terms of Rs. 1719.59 Lakh and not accrued interest amounting to Rs. 237.50 Lakh. Had the Company reversed the amount written back and made provision for interest, finance cost and other income would have been higher by amount as mentioned above, having consequential impact on total comprehensive income, other equity and financial liabilities. This matter has been qualified by the auditors in their Audit Report.

13. The company has divested its entire investment in a subsidiary company namely Arshiya Supply Chain Management Limited (ASCM) on 22nd March, 2018. 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.

14. As per Ind-AS 108 "Operating Segment", information has been provided along with the consolidated financial results of the group.

15. 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 reorganising 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 is considered and necessary at this stage pending requisite regulatory approvals.

16. The Company has accumulated losses and certain creditors have initiated legal proceeding against the Company and its Directors for recovery of the amounts due. However in these cases, the company has executed consent terms or is in the process of finalising consent terms with the creditors.

    As mentioned in note no. 5, the 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 Company and it's subsidiaries business operations. Considering the strength of Company's locational advantages, future outlook as assessed by the management and business plan, the Company is confident to continue as a going concern. The long term prospects of the Company, however, are dependent on various factors and financial results have accordingly been continued to be prepared on going concern basis.

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17. The Company has elected to apply Indian GAAP carrying amount as deemed cost on the date of transition to Ind AS for its equity investments in subsidiaries. These subsidiaries are implementing their respective business restructuring and revival plans, hence based on the assessment carried out by the management of the Company, no impairment loss on investment in subsidiaries is considered necessary.

18. Exceptional item for the quarter and year ended 31st March, 2018 represents the following:

(Rs. In lakhs)

Sr. No.	Particulars	Quarter ended 31st March 2018	Year ended 31st March 2018
1	Gain on grant of long term lease of certain assets at Panvel FTWZ	15,633.29	15,633.29
2	Loss on divestment of a subsidiary	(4,338.19)	(4,338.19)
3	Restructuring/settlement of loans	55.11	2,339.79
4	Others	(87.00)	(338.05)
Total		11263.21	13296.84

19. Net deferred tax asset is not 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.

20. The figures for the previous period/year have been re-grouped/re-classified/ re-arranged, wherever necessary, to correspond with the current period's classification/disclosure.

For and on behalf of Board of Directors of Arshiya Limited

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Arshiya Limited Mumbai

Place: Mumbai
Date: 24th May, 2018

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ARSHIYA LIMITED

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (*Standalone*)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018

[*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Rs. In Lakh

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	9562.11	9562.11
	2.	Total Expenditure (net of exceptional item)	4363.03	7386.04
	3.	Net Profit/(Loss)	5199.08	2176.07
	4.	Earnings Per Share Share (in Rupees per share)	2.84	1.19
	5.	Total Assets	269356.16	269356.16
	6.	Total Liabilities	103528.52	106551.53
	7.	Net Worth as per Ind-As	165827.64	162804.63
	8.	Any other financial item(s) (as felt appropriate by the management)	-	

II. a. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification:**

In respect of default of debt covenant of restructuring agreement with Edelweiss Assets Reconstruction Company Limited (EARC), the company has not provided penal interest of Rs 1065.92 lakhs as referred in Point No 6 of Auditors Report.

b. **Type of Audit Qualification :** Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~

c. **Frequency of qualification:** ~~Whether appeared first time~~ / repetitive / ~~since how long continuing~~

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The Company is negotiating with EARC for the waiver of penal interest.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) **Management's estimation on the impact of audit qualification: NA**

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	(ii) **If management is unable to estimate the impact, reasons for the same: NA**
	(iii) **Auditors' Comments on (i) or (ii) above: NA**
II. b.	**Audit Qualification (each audit qualification separately):**
	a. **Details of Audit Qualification:** In respect of default in payments to an NBFC under the consent terms, the parent company has not provided additional interest expenses of Rs 237.50 lakhs and not written down the gain accounted on the settlement of first consent terms of Rs 1,719.59 lakhs as referred in Point no 7 of Audit Report.
	b. **Type of Audit Qualification :** Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~
	c. **Frequency of qualification:** ~~Whether appeared first time~~ / repetitive / ~~since how long continuing~~
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The parent company has made the partial payments under the consent terms and is under negotiation with the NBFC for extension of the additional time.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(iv) **Management's estimation on the impact of audit qualification: NA**
	(v) **If management is unable to estimate the impact, reasons for the same:NA**
	(vi) **Auditors' Comments on (i) or (ii) above:NA**
II. c.	**Audit Qualification (each audit qualification separately):**
	a. **Details of Audit Qualification:** No accounting impact has been given against the invocation of corporate guarantee by two lenders of a subsidiaries due to pending settlement of matters as referred in Point no 8 of Audit Report.
	b. **Type of Audit Qualification :** Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~
	c. **Frequency of qualification:** ~~Whether appeared first time~~ / repetitive / ~~since how long continuing~~
	d. For Audit Qualification(s) where the impact is quantified by the auditor : N.A.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	Management's estimation on the impact of audit qualification: Management's Views: The subsidiaries has submitted the compromise proposal to the lenders for resolution of the debts by way of debt restructuring, therefore, the company do not envisage any liability on the same.
	(i) **If management is unable to estimate the impact, reasons for the same:** Impact is un-ascertainable.
	(ii) **Auditors' Comments on (i) or (ii) above:** At this stage , Management is not able to assess the changes/expected cash shortfall to determine any credit losses in respect of this guarantee.

III.	**Signatories:**	
	Mr. Ajay S Mittal **Chairman & Managing Director**	
	Mr. S Maheshwari **Group President & CFO**	
	Mr. Ashishkumar Bairagra **Audit Committee Chairman**	
	Mr. Vijay Napawaliya Partner, M/s. Chaturvedi & Shah **Statutory Auditor**	
Place: Mumbai		
Date: 24th May, 2018		

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