Independent Auditor's Report

To the Members of
ARSS Damoh Hirapur Tolls Private Limited

Report on the Standalone Ind AS financial Statements

We have audited the accompanying standalone Ind AS financial statements of **M/s. ARSS Damoh Hirapur Tolls Private Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accountings estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Basis for Qualified Opinion

a) *Status of rights and title on the capital work-in-progress valued at Rs.106.89 Crores has neither been verified and ascertained nor the effect of the same has been accounted for in the financial statements.*
b) *Interest on loan from bank of Rs.73.06 Crores has not been provided thereby understatement of liability to that extent.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

a) *Without qualifying our opinion, we draw attention to the Note.10 to the standalone Ind AS financial statement, wherein, Central Bureau of Investigation (CBI) has conducted raid in April 2018 on the*

Company in pursuance of complaint filed by Central Bank of India for investigation of default in repayment of loan. This loan has been classified as NPA by the bank. Company has defaulted in repayment of this loan of Rs.73.06 Crores on maturity and payment of Interest thereon. These conditions indicate the existence of a material uncertainty that may cast apprehension about the Company's ability to function as a going concern. However, the financial statements of the Company has been prepared on a going concern basis.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure-A' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) we have sought and, except for the matter described in the 'Basis of Qualified Opinion' above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone Ind AS financial statements.

(b) in our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) the balance sheet, the statement of profit and loss, the cash flow statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) in our opinion, except for the effects of the matter described in Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

(g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements, Refer Note No.10, 19 to the Ind AS financial statements.

ii. the Company did not have any Long term contract including derivatives contract as such the question of commenting on any material foreseeable losses thereon does not arise.

iii. there has been not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Ajay B Garg
Chartered Accountant

A Garg
Proprietor
Mem No 32538
Place of Signature: Mumbai
Dated : 30th May, 2018

‘Annexure – A’ to the Independent Auditors’ Report of M/s. ARSS Damoh Hirapur Tolls Private Limited

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31, 2018, we report that:

(i) The Company has no fixed assets hence provision of Paragraph 3 (i) of the order is not applicable to the company

(ii) The Company has no inventories hence provision of paragraph 3 (ii) of the order is not applicable to the company.

(iii) The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

(v) The Company has not accepted any deposits from the public and hence the paragraph (v) of the Order relating to directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 or any rules framed there under with regard to the deposits accepted from the public are not applicable to the company. Accordingly we have not commented upon the paragraph 3(v) of the Order.

(vi) Pursuant to the Companies (Cost records and audit) Rules 2014 and as prescribed by the Central Government under section 148(1) of the Act, we are of the opinion that prima-facie, the provision of maintenance of prescribed accounts and cost records are not been applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, duty of excise, service tax, duty of customs, employees’ state insurance , value added tax, cess and other material statutory dues have been regularly deposited with few delay in some cases during the year by the Company with the appropriate authorities except TDS of

Rs.105.50 Lakhs which was in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.

(viii) Based on our Audit procedures and according to information and explanation given to us, the Company has defaulted in repayment of bank loan of Rs.73.06 Crores and interest thereon, which is classified as NPA by bank.

(ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. The term loans have been applied for the purpose for which they were obtained.

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

(xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided, if any; in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

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

(xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS financial Statements as required by the applicable accounting standards.

(xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

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

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of paragraph 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Ajay B Garg
Chartered Accountant

A Garg
Mem No: 032538

Place : Mumbai
Dated : 30th May, 2018.

'Annexure – B' to the Independent Auditor's Report of M/s. ARSS Damoh Hirapur Tolls Private Limited

[Referred to in paragraph 2(g) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31, 2018.]

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

We have audited the internal financial controls over financial reporting of **M/s. ARSS Damoh Hirapur Tolls Private Limited** ('the Company'), as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles including the Ind AS. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles including the Ind AS, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ajay B Garg
Chartered Accountant

A Garg
Mem No: 032538
Place : Mumbai
Dated : 30th May, 2018.

ARSS DAMOH - HIRAPUR TOLLS PRIVATE LIMITED
CIN : U45201OR2011PTC013524

BALANCE SHEET

(Rupees in ' Lakhs')

Particulars	Note No.	As at 31st -Mar-18	As at 31st -Mar-17	As at 1st -Apr-16
I. ASSETS				
1. Non-current Assets				
(a)Property, Plant and Equipment	5	-	-	-
(b)Capital Work-in-progress	5	10,689	9,906	10,568
(c)Intangible Assets	5	-	-	-
(d)Financial Assets				
(i) Investments		-	-	-
(ii) Trade Receivables		-	-	-
(iii)Loans		-	-	-
(iv)Other Financial Assets		-	-	-
(e) Deferred Tax Assets (net)		-	-	-
(f) Other Non-Current Assets	6	15	15	15
2. Current Assets				
a.Inventories		-	-	-
b.Financial Assets				
(i) Investments		-	-	-
(ii) Trade Receivables		-	-	-
(iii) Cash & Bank Balance	7	30	71	2
(iv) Bank Balances Other Than Three Above	7	-	-	-
(v) Loans		-	-	-
(vi) Other Financial Assets		-	-	-
c.Current Tax Assets (Net)		-	-	-
d.Other Current Assets				
3. Asset Held For Disposal	5	-	-	-
TOTAL ASSETS		**10,734**	**9,992**	**10,585**
II. EQUITY AND LIABILITIES				
1. Equity				
a. Equity Share Capital	8	2,212	2,212	2,212
b. Other Equity	9	-	-	-
2. Liabilities				
(i) Non-current Liabilities				
a.Financial Liabilities				
(i) Borrowings	10	-	5,914	6,610
(ii) Trade Payables	11	-	-	-
(iii) Other Financial Liabilities	12	-	-	-
b.Provisions		-	-	-
c. Deferred Tax Liabilities (net)		-	-	-
d. Other Non-current Liabilities	13	-	-	-
(ii) Current Liabilities				
a.Financial Liabilities				
(i) Borrowings	10	326	368	398
(ii) Trade Payables	11	-	-	563
(iii) Other Financial Liabilities	12	8,091	1,393	697
b.Provisions		-	-	-
c.Other Current Liabilities	13	105	105	105
d.Current Tax Liability (Net)		-	-	-
TOTAL EQUITY AND LIABILITIES		**10,734**	**9,992**	**10,585**

Significant Accounting Policies and Notes to Accounts

Notes Forming Part of Financial Statement

As per our report of even date attached.

For Ajay B Garg
Chartered Accountants

For and on behalf of the Board

(CA. Ajay B Garg)	**(Sunil Agarwal)**	**(S.K. Pattanaik)**
Proprietor	Director	Director
M.No.- 032538	DIN: 00218066	PAN : AFNPP7713B

Date : The 30th day of May,2018
Bhubaneswar

ARSS DAMOH - HIRAPUR TOLLS PRIVATE LIMITED
CIN : U45201OR2011PTC013524

STATEMENT OF PROFIT AND LOSS

(Rupees in INR' Lakhs)

Particulars	Note No.	For the year ended 31st March,2018	For the year ended 31st March,2017
Income			
I.Revenue From Operations		-	-
II.Other Income		-	-
III.Other Gains/(Losses)		-	-
Total Income		-	-
IV.Expenses			
(a)Cost of Materials Consumed		-	-
(b)Cost Of Goods/Services Sold		-	-
(c)Change in Inventories (Increase) /Decrease		-	-
(d)Depreciation and Amortization expenses		-	-
(e)Employee Benefit Expenses		-	-
(f)Finance cost	14	-	-
(g)Other Expenses		-	-
Total Expenses		-	-
V.Profit Before Exceptional Items and Tax		-	-
Exceptional Items		-	-
VI.Profit Before Taxes		-	-
VII.Tax Expenses			
(a)Current Tax		-	-
(b)Tax of Earlier Years		-	-
(c)Deferred Tax		-	-
VIII.Profit (Loss) for the Period		-	-
IX.Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss :			
(a) Changes in investments in equity shares carried at Fair Value through OCI		-	-
(b) Re-measurement of defined employee benefit plans		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss :			
- on Revaluation Surplus on Property, Plant & Equipment		-	-
- on Re-measurement of defined employee benefit plans		-	-
B (i) Items that will be reclassified to profit or loss :			
(a) Changes in investments other than equity shares carried at Fair Value through OCI (FVOCI)		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss :		-	-
X.Total Other comprehensive Income after tax		-	-
XI.Total comprehensive income for the period		-	-
XII.Earnings per equity share:			
(1) Basic	15	-	-
(2) Diluted	15	-	-

Significant Accounting Policies and Notes to Accounts
Notes forming part of Financial statement

As per our report of even date attached.

For Ajay B Garg
Chartered Accountants

(CA. Ajay B Garg)
Proprietor
M.No.- 032538

For and on behalf of the Board

(Sunil Agarwal)
Director
DIN: 00218066

(S.K. Pattanaik)
Director
PAN : AFNPP7713B

Date : The 30th day of May,2018
Bhubaneswar

ARSS DAMOH - HIRAPUR TOLLS PRIVATE LIMITED
CIN : U45201OR2011PTC013524

STATEMENT OF CHANGES IN EQUITY

(Rupees in INR' Lakhs)

A. Equity Share Capital

Particulars	Amount
As at 1 April 2016	2,212
Changes in equity share capital	-
As at 31 March 2017	2,212
Changes in equity share capital	-
As at 31 March 2018	2,212

B. Other Equity

Particulars	Attributable to owners of ARSS DAMOH - HIRAPUR TOLLS PRIVATE LIMITED						
	Share Application Money	Reserves & Surplus			Other reserves		Total other equity
		General Reserves	Securities premium reserve	Retained earnings	FVOCI-equity investments	Capital Reserves	
Balance at 1 April 2016	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-
Issue of equity shares	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Balance at 31 March 2017	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-			-
Total comprehensive income for the year	-	-	-	-	-	-	-
Issue of equity shares	-	-	-		-	-	-
Balance at 31 March 2018	-	-	-	-	-	-	-

As per our report of even date attached.

For Ajay B Garg
Chartered Accountants

For and on behalf of the Board

(CA. Ajay B Garg)
Proprietor
M.No.- 032538

(Sunil Agarwal)
Director
DIN: 00218066

(S.K. Pattanaik)
Director
PAN : AFNPP7713B

Date : The 30th day of May,2018
Bhubaneswar

ARSS DAMOH - HIRAPUR TOLLS PRIVATE LIMITED
CIN : U45201OR2011PTC013524

STATEMENT OF CASH FLOWS

(Rupees in INR' Lakhs)

Particulars	Year Ended 31st March'2018	Year Ended 31st March'2017
Operating Activities		
Profit before tax from continuing operations	-	-
Profit/(loss) before tax from discontinuing operations	-	-
Profit before tax	-	-
Adjustments for		
Depreciation on Property, plant and equipment	-	-
Loss/(Gain) on Sale of Property, plant and equipment	-	-
Re-measurement of defined employee benefit plans	-	-
Interest Income	-	-
Assets held for disposal	-	-
Dividend Income	-	-
Operating profit / (loss) before working capital changes	-	-
Working capital adjustments:		
Increase/(decrease) in short-term Borrowings	(42)	(30)
Increase/(decrease) in Trade payables	-	(563)
Increase/(decrease) in other current liabilities	-	-
Increase/(decrease) in other long-term liabilities	-	-
Decrease/(increase) in trade receivables	-	-
Decrease/(increase) in other non-current assets	-	-
Decrease/(increase) in other non-current financial assets	-	-
Decrease/(increase) in other current financial assets	-	-
Decrease/(increase) in assets held for disposal	-	-
Decrease/(increase) in other non-current financial liabilities	-	-
Decrease/(increase) in other current financial liabilities	6,698	696
Decrease/(increase) in short-term loans and advances	-	-
Decrease/(increase) in Long-term loans and advances	-	-
	6,656	**103**
Income taxes paid	-	-
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	**6,656**	**103**
Investing Activities		
Purchase of property, plant and equipment	-	-
Proceeds/(Purchase) from CWP (Refer Note 2)	(783)	662
Purchase/(Sale) of Investments	-	-
Interest received (finance income)	-	-
Dividend received (finance income)	-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	**(783)**	**662**
Financing Activities		
Proceeds from issue of equity shares	-	-
Interest paid	-	-
Proceeds/(Repayment) from borrowings (Refer Note 2)	(5,914)	(696)
Dividends paid including Dividend Distribution Tax	-	-
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	**(5,914)**	**(696)**
Net increase (decrease) in cash and cash equivalents (A+B+C)	**(41)**	**69**
Cash and cash equivalents at the beginning of the year	71	2
Cash and cash equivalents at year end	**30**	**71**

1. This Statement of Cash Flow has been prepared incordance with Indirect Method as prescribed under Ind-AS 7 "Statement of Cash Flows ".
2. There is no absolute cash flow , however these movements are on account of derecogniotion of borrowing costs , from borrowings with coresponding impact on Capital Work in Progress.

As per our report of even date attached.

For Ajay B Garg
Chartered Accountants

(CA. Ajay B Garg)
Proprietor
M.No.- 032538

For and on behalf of the Board

(Sunil Agarwal)
Director
DIN: 00218066

(S.K. Pattanaik)
Director
PAN : AFNPP7713B

Date : The 30th day of May,2018
Bhubaneswar

1) Company Overview

ARSS Damoh Hirapur Tolls Private Limited is a private limited company incorporated and domiciled in India. The company is a subsidiary entity . The company is

engaged in execution of contracts of various infrastructure projects including road work, bridge work, railway tracking and irrigation projects.

2) SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation

(i) Compliance with Ind AS :

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) ,Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements under Ind AS. Refer to **Note No 22** for an explanation of how the transition from previous GAAP to Ind AS has affected the company financial position, financial performance and cash flows.

(ii) Historical cost convention :

The financial statements have been prepared under the historical cost convention, except for the following:

a) Certain financial assets and liabilities that is measured at fair value;

b) Net Defined Obligations

c) Assets held for sale

(iii) Current And Non -Current Classification

All assets and liabilities have been classified as current and non-current as per the company's operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act 2013. The company has ascertained its operating cycle as 12 months for the purpose of current and non-current classifications.

2.2 Property, plant and equipment, Intangible Assets and Capital Work-in-progress

i) Recognition and Measurement

All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset ,as appropriate , only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The cost of Property, plant and equipment not available for use as on each reporting date are disclosed under capital work-in-progress.

ii) Transition to Ind AS

On transition to Ind AS, the entity has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

iii) Depreciation methods, estimated useful lives and residual value

a) Depreciation is calculated using the Straight Line Method (SLM) to allocate their cost ,net of their residual values over their estimated useful life. The useful life has been determined based on the technical evaluation done by the independent experts.

b) Any asset whose aggregate actual cost does not exceed five thousand rupees has been fully charged off in the year of addition.

c) The residual values are not more than 5% of the original cost of the assets.The assets's residual values and useful life are reviewed and adjusted at the end of each reporting period.

d) Depreciation on assets purchased/acquired during the year is charged from the date of purchase of the assets. Assets that are acquired during the year are depreciated on pro rata basis from the date of such addition or, as the case may be , up to the date on which such assets has been derecognized.

e) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

f) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

2.3 Revenue recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

2.4 Other Incomes

Revenue other than above has been recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity.

2.5 Financial Instruments

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument.

Financial Assets

(i) Trade Receivables

Trade Receivables are recognized initially at fair value and subsequently measured at amortized costs less provisions for impairment.

(ii) Other Financial Assets

a) Classifications

The company classifies its financial assets into the following categories:
#Those to be measured subsequently at fair value (either through other comprehensive income or through profit and loss)
#Those measured at amortized costs

The classification depends upon the business model for managing the financial assets and contractual characteristics of the cash flows.

b) Measurements
Initial Recognition:

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets . The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in profit or loss.

Subsequent Measurement:

There are three subsequent measurement categories into which the company classifies its debt instrument financial assets:

measured at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income, if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

measured at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income on initial recognition.

Equity instruments :

An equity instruments is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised at the proceeds received net off direct issue cost.

All equity instruments classified under financial assets are subsequently measured at fair value. The company has made an irrecoverable election at the time

of initial recognition to account for the equity instrument at fair value through other comprehensive income.

c) Impairment of Financial Assets :

The company assesses on forward looking basis the expected credit losses associated with its assets carried at amortized costs. The impairment methodology applied depends on whether there has been a significant increase in credit risks.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109,"Financial Instruments", which requires expected life time losses to be recognized from initial recognition of the receivables.

d) Derecognition of Financial Assets :

A financial assets is derecognized only when :

The company has transferred the rights to receive cash flows from the financial assets or

Retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

a) Borrowings :

i. Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

ii. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

iii. Borrowings are classified as current liabilities unless the entity has an unconditional right to defer, settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

b) Trade and other payables :

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

c) Other Financial Liabilities

Financial liabilities are measured at amortized cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate method. Gain and losses are recognized in profit and loss when the liabilities are derecognized.

d) Offsetting of Financial Instruments:

A financial asset and a financial liability shall be offset and the net amount shall be presented in the balance sheet when, and only when, an entity:

(a) currently has a legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.6 Employee benefits :

All Short term employee benefits such as salaries, incentives, special award, medical benefits which fall due within 12 months of the period in which the employee renders related services, which entitles him to avail such benefits and non accumulating compensated absences (like maternity leave and sick leave) are recognized on an undiscounted basis.

2.7 Income tax :

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

2.8 Cash and cash equivalents :

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.9 Borrowing costs :

a) General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

b) Other borrowing costs are expensed in the period in which they are incurred.

2.10 Provisions & Contingent Liabilities:

a) A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. Contingent assets are not recognized.

b) Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.11 Contributed equity :

a) Equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

b) Dividends :

Provisions is made for any amount of dividend declared , being appropriately authorized and no longer at the discretion of the entity, on or before the end of reporting period but not distributed at the end of the reporting period.

2.12 Earning Per Share

a) Basic Earning Per Share

Basic Earning Per Share is calculated by dividing the profit attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year.

b) Diluted Earning Per Share

Diluted Earning Per Share adjusts the figures used in the determination of the basic earning per share to take into account the after income tax effect of interests or other finance costs associated with the dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.13 Segment Reporting

Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies. There is only one operating segment and geographic segment and therefore no separate disclosures are considered necessary.

2.14 Rounding of amounts :

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Division II of Schedule III to the Act, unless otherwise stated.

3) Recent Accounting Pronouncement :

Accounting Pronouncement Issued but not effective :

a) Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

4) Critical Estimates and Judgments:

a) Use of Estimates :

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which

changes are made and, if material, their effects are disclosed in the notes to the financial statements.

b) Critical Accounting Estimates :

i) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful life and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Notes to the Financial Statements for the year ended 31st March,2018

Note-5: Property, Plant and Equipment

Particulars	Freehold Land	Leasehold Land	Freehold Buildings	Furniture, Fittings and Equipment	Plant and Equipment	Office Equipment	Vehicles	TOTAL	Capital Work-in-Progress	Intangible Assets
Gross Carrying Amount										
At 1st April,2016	-	-	-	-	-	-	-	-	10,568	-
Additions/Adjustments during the year	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustment during the year	-	-	-	-	-	-	-	-	(662)	-
At 31st March,2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,906**	**-**
Additions/Adjustments during the year	-	-	-	-	-	-	-	-	783	-
Disposals/Adjustment during the year	-	-	-	-	-	-	-	-	-	-
At 31st March,2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,689**	**-**
Accumulated Depreciation and Impairment										
At 1st April,2016	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustment during the year	-	-	-	-	-	-	-	-	-	-
At 31st March,2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustment during the year	-	-	-	-	-	-	-	-	-	-
At 31st March,2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Book Value At 31st March,2018	-	-	-	-	-	-	-	-	10,689	-
Net Book Value At 31st March,2017	-	-	-	-	-	-	-	-	9,906	-
Deemed cost At 1st April,2016	-	-	-	-	-	-	-	-	10,568	-

Net Book Value /At Deemed Cost on 1st Apr 2016	**As at 31st March'2018**	**As at 31st March'2017**	**As at 1st April,2016**
	INR Lakhs	INR Lakhs	INR Lakhs
Property, Plant and Equipment	-	-	-
Capital Work-in-progress	10,689	9,906	10,568
Intangible Assets	-	-	-

Notes to the Financial Statements for the year ended 31st March,2018

Note 6: Other Assets

Particulars	As at 31st March'2018	As at 31st March'2017	As at 1st April'2016
(i)Current			
Capital Advance	-	-	-
Sub-Total	**-**	**-**	**-**
(ii) Non-Current			
Preliminary Expenses Not yet Written off	15	15	15
Vendor Advances	-	-	-
Sub-Total	**15**	**15**	**15**
Total	**15**	**15**	**15**

Note 7: Cash and Bank Balance

Particulars	As at 31st March'2018	As at 31st March'2017	As at 1st April'2016
Balances with banks			
(I) Cash at bank	28	69	-
(ii) Cash on hand	2	2	2
Less: Bank overdraft	-	-	-
Total	**30**	**71**	**2**
Less: Balances In Bank Other Than Above*	-	-	-
	30	**71**	**2**

Notes to the Financial Statements for the year ended 31st March,2018

Note 8:Share Capital

Particulars	As at 31st March'2018	As at 31st March'2017	As at 1st April'2016
(A) Authorized Shares Capital			
Equity Shares ::			
2,25,00,000 (As on 31st March 2017 '2,25,00,000 As on 31st March 2016 '2,25,00,000) Equity Shares of Rs.10/- Each	2,250	2,250	2,250
(B) Issued, Subscribed and Paid Up Equity Shares:			
2,21,23,730 (As on 31st March 2017 '2,21,23,730 As on 31st March 2016 '2,21,20,730) equity shares of Rs. 10 each fully paid up	2,212	2,212	2,212
Total	**2,212**	**2,212**	**2,212**

(C) Reconciliation of Number of Shares	As at 31st March'2018	As at 31st March'2017	As at 1st April'2016
i) Reconciliation of number of Equity shares are set out below:			
a) Shares outstanding at the beginning of the financial year.	22,123,730	22,120,730	22,120,730
b) Issued during the year	-	3,000	-
c) Shares forfeited/brought back/cancelled during the year		-	-
d) Shares outstanding at the end of the financial year	**22,123,730**	**22,123,730**	**22,120,730**

(D) Details of shareholders holding more than 5% of shares	As at 31st March'2018		As at 31st March'2017		As at 1st April'2016	
Name of the Shareholders	**% Held**	**No. of Shares**	**% Held**	**No. of Shares**	**% Held**	**No. of Shares**
Equity Shares:						
ARSS Infrastructure Projects Limited	99.82%	22,083,730	99.82%	22,083,730	99.82%	22,083,730

(i) The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

(ii)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.

(E) There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment.

(F) For the period of five years immediately preceding the date at which the balance sheet prepared the company has not :
(i) Allotted any shares as fully paid up pursuant to contract without payment being received.
(ii) Allotted any shares as fully paid up by way of bonus, and
(iii) Bought back any shares

Note 9: Other Equity

Particulars	As at 31st March'2018	As at 31st March'2017	As at 1st April'2016
Retained Earnings			
Opening Balance/ As on Transition Date	-	-	-
Add: Profit/(Loss) during the year	-	-	-
Add :Re-measurement of defined employee benefit plans through OCI	-	-	-
Less: Deferred Tax liability / (Assets)on Transition date	-	-	-
Less; Impairment loss on financial assets	-	-	-
Add:Derecognition of Intangible Items	-	-	-
Grand Totals	-	-	-

Notes to the Financial Statements for the year ended 31st March,2018

Note 10: Borrowings

Particulars	As at 31st March'2018	As at 31st March'2017	As at 1st April'2016
(i) Non-Current Borrowings			
Secured Loan			
(a) Term Loan From Banks	7,306	7,306	7,306
(b) Financial Lease Obligations	-	-	-
Unsecured Loan			
Loans from Bank	-	-	-
Loan from Others	-	-	-
Less : - Current Maturity of Long term debt	-	-	
Term Loan From Banks	(7,306)	(1,392)	(696)
Financial Lease Obligations	-	-	-
Total non-current borrowings	**-**	**5,914**	**6,610**
(ii) Current Borrowings			
(a) Cash Credit	-	-	-
(b) Financial Lease Obligations	-	-	-
(c) From Others	326	368	398
Total current borrowings	**326**	**368**	**398**

Notes :-

(i) Indian rupee loan from bank is from Central Bank of India carries interest @ 14.25% p.a. The loan is repayable in 36 quarterly installments starting from 2 years from the date of COD i.e. the first date of installment due on January 2016. The above loan is secured by way of assignment/ security interest on the companies rights under the concessions agreement, project documents, contracts and all licenses, permits, approvals , consents and insurance policies in respect of the project of two laning of Damoh Hirapur Road. The said loan is backed by personal guarantee of directors and parent company. This loan has been classified as NPA by the bankers. Central Bureau of Investigation (CBI) has conducted raid in April 2018 on the Company in pursuance of complaint filed by banker for investigation of default in repayment of loan.

(ii) Interest rate for all term loan are subject to periodic review.

Note 11: Trade Payables

Particulars	As at 31st March'2018	As at 31st March'2017	As at 1st April'2016
i. Non-Current			-
Sub-Total	**-**	**-**	**-**
ii. Current	-	-	563
Sub-Total	**-**	**-**	**563**
Grand Total	**-**	**-**	**563**

Notes to the Financial Statements for the year ended 31st March,2018

Note 12: Other financial liabilities

Particulars	As at 31st March'2018	As at 31st March'2017	As at 1st April'2016
i. Non-Current			
Retention Money	-	-	-
Capital Creditors	-	-	-
Sub-Total	**-**	**-**	**-**
ii. Current			
Current Maturity of Long term Debt			
Term Loan From Banks	7,306	1,392	696
Financial Lease Obligations	-	-	-
Retention Money	-	-	-
Bank Guarantee Commission payable	783	-	-
Liability For Expenses	2	1	1
Sub-Total	**8,091**	**1,393**	**697**
Total	**8,091**	**1,393**	**697**

Note 13: Other Liabilities

Particulars	As at 31st March'2018	As at 31st March'2017	As at 1st April'2016
Non- Current Liabilities			
Mobilization advance Received	-	-	-
	-	**-**	**-**
Current Liabilities			
Payable to Statutory Authorities	105	105	105
Mobilization advance Received	-	-	-
Advance From Customers	-	-	-
Total	**105**	**105**	**105**

Note 14 : Finance Cost

Particulars	31st March'2018	31st March'2017
Interest On Borrowings	783	-
Interest on Deferred Payment Terms	-	-
Bank Guarantee Commission	-	-
Less: Borrowing Cost Capitalized	(783)	
Total	**-**	**-**

NOTE 15

	EARNINGS PER SHARE (EPS)	31st March 2018	31st March 2017
i)	Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders (Rs Lakhs)	-	-
ii)	Weighted Average number of equity shares used as denominator for calculating EPS	22,123,730	22,123,730
iii)	Face Value per Equity Share (Rs)	10.00	10.00
iv)	Basic and Diluted Earnings per share (Rs)	**0.00**	**0.00**

NOTE 16

	CONTINGENT LIABILITIES	31st March 2018	31st March 2017	31st March 2016
i.	Guarantees given by Company's Bankers on behalf of the Company.	-	-	-
ii.	Claims against the Company not acknowledged as debts:	-	-	-
iii.	Corporate Guarantees given by Company	-	-	-

NOTE 17 **RELATED PARTY DISCLOSURE AS PER Ind AS 24**

(I) List of Related parties

a.Key Managerial Personnel

Name	Designation
Sunil Agarwal	Director cum Chief Executive Officer
S.K. Pattanaik	Director cum C. F. O.
Ramesh Prasad Agrawal	Director

b.Close Family members of Key Managerial Personnel

Name **Relationships**

None of the close members of all Key managerial Personnel's are considered as Related Party In accordance with Ind AS 24 considering the fact that they are neither participating nor influencing executive decision making of the company.

(II) Balances and Transactions with Related parties

a. Statement Of Profit And Loss Items

		Net Transaction During the Period	
Name	**Particulars**	**2017-18**	**2016-17**
ARSS Infrastructure Projects Limited	Interest Expenses	783	-

b. Balance Sheet Items

Name	Particulars	2017-18	2016-17	2015-16
Anil Contractors Pvt Ltd	Loan Received	136	177	209
ARSS Infrastructure Projects Limited	Other financial Liabilities	783	-	-
Shivam Condev Pvt. Ltd	Loan Received	100	100	100
Shivam Construction	Loan Received	90	90	90
ARSS Infrastructure Projects Ltd	Trade Payable	-	-	563

(III) Remuneration to key managerial personnel

Name	2017-18	2016-17	2015-16
Sunil Agarwal	-	-	-
S.K. Pattanaik	-	-	-
Ramesh Prasad Agrawal	-	-	-
Director Sitting Fees	-	-	-

NOTE 18 **Micro, Small and Medium Enterprises (MSME) Dues Disclosure**

There are no Micro and Small enterprises to whom the Company owes dues which are outstanding for a period of more than 45 days as at the balance sheet date. The above information and that given under Current liabilities regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE 19 The Contract for " Strengthening, Widening, Maintaining and operating of Damoh-Bhatiagarh-Baxwaha- Hirapur Road on BOT Basis" with Madhya Pradesh Road Development Corporation Limited (MPRDCL) has been terminated by the contractee on 20.05.2013. The Company has disputed the above termination and a claim has been raised on MPRDCL for Rs. 2,80487 Lakhs which however has not been accounted for.

NOTE 20 Performance Bank Guarantee provided by the EPC Contractor "ARSS Infrastructure Projects Limited" of Rs. 6.14 Cr has been invoked, which however has not been accounted for.

NOTE 21 The term loan availed by the company for the BOOT project has been classified as NPA by the bankers of the company and unrealised interest has been reversed. However the company has not been provided for the interest on due basis for the whole year.

Notes to the Financial Statements for the year ended 31st March,2018

Note 22 : First Time adoption of Ind AS

The accounting policy set out in Note 2 have been applied in preparing the financial statements for the year ended 31st March 2018,the comparative information presented in these financial statements for the year ended 31st March 2017 and in the preparation of an opening Ind AS Balance sheet at 1st Apr 2016(transition date).In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules,2006 (as amended) and other relevant provisions of the Act (Previous GAAP).An explanation of how the transition from previous GAAP to Ind AS has affected the companies financial position, financial performance and cash flows is set out in the following tables and notes.

A.Exemption Availed

1. Deemed Cost for Property,Plants & Equipments

Ind As 101 permits a first time adopter to elect to continue with the carrying value for all of its Property , Plant & Equipment as recognized in the financial statements as at the date of transition to Ind AS,measured as per the previous GAAP and use that as its deemed cost as at the date of transition . Accordingly the company has elected to measure all of its Property,Plant & Equipment,Intangible assets at their previous GAAP carrying value.

2. Designation of previously recognised financial instruments.

Ind AS 101 allows an entity to designate investments in equity instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

B.Mandatory Exceptions

1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1st April,2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

2.Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

3.De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

C. Transition to Ind AS -Reconciliation

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

I)Reconciliation of Balance sheet as at April 1,2016 and March 31, 2017

II)Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

III)Reconciliation of Equity as at April 1,2016 and March 31, 2017

The presentation requirements under Previous GAAP differs from Ind AS and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

I. Reconciliations of Balance Sheet as at April 1,2016 and March 31,2017
(a)Reconciliations of Balance Sheet as at April 1,2016

(Rupees in INR' Lakhs)

Particulars	Note No	As at 1st April,2016 (Previous GAAP)	Adjustments	As at 1st April,2016 (Ind AS)
I. ASSETS		-		
1. Non-current Assets		-		
(a)Property,Plant and Equipment		-	-	-
(b)Capital Work-in-progress		10,568	-	10,568
(c)Intangible Assets		-	-	-
(d)Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade Receivables		-	-	-
(iii)Loans		-	-	-
(iv)Other Financial Assets		-	-	-
(e) Deferred Tax Assets (net)		-	-	-
(f) Other Non-Current Assets		15	-	15
2. Current Assets		-	-	-
a.Inventories		-	-	-
b.Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade Receivables		-	-	-
(iii) Cash & Cash Equivalents		2	-	2
(iv) Bank Balances Other Than three above		-	-	-
(v) Loans		-	-	-
(vi) Other Financial Assets		-	-	-
c.Current Tax Assets (Net)		-	-	-
d.Other Current Assets		-	-	-
		-		-
3. Asset Held For Disposal		-	-	-
TOTAL		**10,585**	**-**	**10,585**
II. EQUITY AND LIABILITIES				
1. Equity				
a. Equity Share Capital		2,212	-	2,212
b. Other Equity		-	-	-
2. Liabilities		-		-
(I) Non-current liabilities		-		-
a.Financial Liabilities		-		-
(i) Borrowings		6,610	-	6,610
(ii) Trade Payables		-	-	-
(iii) Other Financial Liabilities		-	-	-
b.Provisions		-	-	-
c.Deferred Tax Liabilities (net)		-	-	-
d.Other Non-current Liabilities		-	-	-
(II) Current liabilities		-	-	-
a.Financial Liabilities		-	-	-
(i) Borrowings		398	-	398
(ii) Trade Payables		563	-	563
(iii) Other Financial Liabilities	2	802	(105)	697
b.Provisions		-	-	-
c.Other Liabilities		-	105	105
d.Current Tax Liability (Net)		-	-	-
TOTAL		**10,585**	**-**	**10,585**

(b)Reconciliations of Balance Sheet as at March 31,2017

(Rupees in INR' Lakhs)

Particulars	Note No	As at 31st March,2017 (Previous GAAP)	Adjustments	As at 31st March,2017 (Ind AS)
I. ASSETS				
1. Non-current Assets				
(a)Property,Plant and Equipment		-	-	-
(b)Capital Work-in-progress		9,906	-	9,906
(c)Intangible Assets		-	-	-
(d)Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade Receivables		-	-	-
(iii)Loans		-	-	-
(iv)Other Financial Assets		-	-	-
(e) Deferred Tax Assets (net)		-	-	-
(f) Other Non-Current Assets		15	-	15
2. Current Assets		-	-	-
a.Inventories		-	-	-
b.Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade Receivables		-	-	-
(iii) Cash & Cash Equivalents		71	-	71
(iv) Bank Balances Other Than three above		-	-	-
(v) Loans		-	-	-
(vi) Other Financial Assets		-	-	-
c.Current Tax Assets (Net)		-	-	-
d.Other Current Assets		-	-	-
		-		-
3. Asset Held For Disposal		-	-	-
TOTAL		**9,992**	**-**	**9,992**
II. EQUITY AND LIABILITIES				
1. Equity				
a. Equity Share Capital		2,212	-	2,212
b. Other Equity		-	-	-
2. Liabilities		-		-
(I) Non-current liabilities		-		-
a.Financial Liabilities		-		-
(i) Borrowings		5,914	-	5,914
(ii) Trade Payables		-	-	-
(iii) Other Financial Liabilities		-	-	-
b.Provisions		-	-	-
c.Deferred Tax Liabilities (net)		-	-	-
d.Other Non-current Liabilities		-	-	-
(II) Current liabilities		-		-
a.Financial Liabilities		-		-
(i) Borrowings		368	-	368
(ii) Trade Payables		-	-	-
(iii) Other Financial Liabilities	2	1,498	(105)	1,393
b.Provisions		-	-	-
c.Other Liabilities	2	-	105	105
d.Current Tax Liability (Net)		-		-
TOTAL EQUITY and LIABILITIES		**9,992**	**-**	**9,992**

C.Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

(Rupees in INR' Lakhs)

Particulars	Note No	31st March,2017 (Previous GAAP)	Adjustments	31st March,2017 (Ind AS)
Income				
I.Revenue from Operations		-	-	-
II.Other Incomes		-	-	-
III.Other Gains/(Losses)		-	-	-
Total Income		-	-	-
IV.Expenses				
(a)Cost of Materials Consumed		-	-	-
(b)Cost Of Goods/Services Sold		-	-	-
(c)Change in Inventories (Increase) /Decrease		-	-	-
(d)Depreciation and Amortization expenses		-	-	-
(e)Employee Benefit Expenses		-	-	-
(f)Finance cost		-	-	-
(g)Other Expenses		-	-	-
Total expenses		-	-	-
V.Profit Before exceptional and tax		-	-	-
Exceptional items		-	-	-
VIII.Profit before Taxes		-	-	-
IX.Provision for Taxes				
(a)Current Tax		-	-	-
(b)Deferred Tax		-	-	-
X.Profit (Loss) for the Period		-	-	-
XI.Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss :				
(a) Changes in investments in equity shares carried at Fair Value through OCI		-	-	-
(b) Re-measurement of defined employee benefit plans		-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss :		-	-	-
- on Revaluation Surplus on Property, Plant & Equipment				
- on Re-measurement of defined employee benefit plans				
B (i) Items that will be reclassified to profit or loss :		-	-	-
(a) Changes in investments other than equity shares carried at Fair Value through OCI (FVOCI)		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss :		-	-	-
XII.Total Other comprehensive Income after tax		-	-	-
XIII.Total comprehensive income for the period		-	-	-

d.Reconciliation of Equity as at April 1,2016 and March 31, 2017

(Rupees in INR' Lakhs)

Particulars	Note No	As at 31-March-17	As at 1-April-16
Total equity as per previous GAAP		2,212	2,212
Debt Component Of Equity Instruments		-	-
Deferred taxes under balance sheet approach		-	-
Elimination of finance component of debt revenue		-	
Reserves for equity instruments through OCI		-	-
Remeasurement of Investment in Joint venture		-	-
Derecognition of Intangible Items	1	-	-
Impairment Losses on Financial Assets		-	-
Total equity as per Ind AS		**2,212**	**2,212**

Notes to first time adoption

1.Intangible Items :
As per Ind-AS 38 "Intangible Assets " paragraph 68 ,expenditure is incurred to provide future economic benefits to an entity, but no intangible asset or other asset is acquired or created that can be recognised. In the case of the supply of goods, the entity recognises such expenditure as an expense.

2.Reclassification and Regrouping
As per Ind AS 101 "First-time Adoption of Indian Accounting Standards "reclassify items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind AS. Accordingly the company has reclassified certain items based on its nature.

Note 23
Figures for the previous year have been re-arranged and re-grouped wherever necessary.

As per our report of even date attached.

For Ajay B Garg
Chartered Accountants

For and on behalf of the Board

(CA. Ajay B Garg)
Proprietor
M.No.- 032538

(Sunil Agarwal)
Director
DIN: 00218066

(S.K. Pattanaik)
Director
PAN : AFNPP7713B

Date : The 30th day of May,2018
Bhubaneswar