

ANNUAL ACCOUNTS

FOR THE

FINANCIAL YEAR

2011-12

ARSS DAMOH HIRAPUR TOLLS PVT. LTD.

-: AUDITORS :-

P. A. & ASSOCIATES

CHARTERED ACCOUNTANTS

20, GOVIND VIHAR

BHUBANESWAR-751010

TEL. No. 0674 257 1065/1744

email: paassociatesbbsr@gmail.com

AUDITORS' REPORT

The Members
ARSS Damoh Hirapur Tolls Pvt. Ltd.
Bhubaneswar

1. We have audited the attached Balance Sheet of ARSS Damoh Hirapur Tolls Pvt. Ltd., Bhubaneswar *as on 31st March' 2012*. This financial statement is the responsibility of the company's management. Our responsibility is to express an opinion on this financial statement based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure & statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of those books.



- iii) The Balance Sheet dealt with by this report is in agreement with the books of account.
- iv) On the basis of written representations received from the directors as on 31st March' 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March' 2012 from being appointed as a director in terms of clause (g) sub-section (i) of section 274 of the Companies Act' 1956.
- v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) In case of Balance Sheet, of the State of affairs of the Company as at 31st. March' 2012.

Bhubaneswar
The 14th May, 2012



For P. A. & Associates
Chartered Accountants
Firm Regn. No. 313085E



[CA. B. N. Dash]
Partner

Membership No. 062142


ARSS Damoh Hirapur Tolls Private Limited

Balance Sheet as at 31st March

	Notes	2012 ₹	2011 ₹
EQUITY AND LIABILITIES			
I Shareholders' Funds			
a. Share Capital	1	148,000,000	-
II Share Application Money Pending Allotment	2	66,675,366	-
III Long Term Borrowings	3	567,187,120	-
IV Current Liabilities			
a. Other Current Liabilities	4	1,348,797	-
TOTAL		783,211,283	-
ASSETS			
V Capital Work - In - Progress	5	350,754,825	-
VI Non-current Assets			
a. Other non- current assets	6	867,110	-
VII Current Assets			
a. Cash and Cash Equivalents	7	243,041	-
b. Short term loans and advances	8	431,346,307	-
TOTAL		783,211,283	-
VIII Significant accounting policies	A		
IX Notes on Financial Statements	B		

As per our report of even date

For P. A. & Associates
Chartered Accountants
Firm Regn. No. 313085E

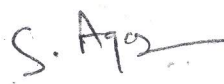

(CA. B. N. Dash)
Partner

M. No. 063523

Bhubaneswar
The 14th day of May, 2012



For and on behalf of the Board of Directors


(Sunil Agarwal)
Director


(Shiv Kumar Singla)
Director

A. SIGNIFICANT ACCOUNTING POLICIES.

1. Corporate Information

ARSS Damoh Hirapur Tolls Private Limited (the company) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is yet to start its commercial operation.

2. Basis of Preparation

The financial statements are prepared on an accrual basis and under the historical cost convention in accordance with generally accepted accounting principles in India [Indian GAAP]. The Company has prepared these financial statements to comply in all material respects with the accounting standards issued by the Institute of Chartered Accountants of India, as applicable and notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

The accounting policies adopted in the preparation of financials statements are consistent with those of previous year.

3. Summary of Significant Accounting Policies

a. Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, Management is required to make estimates and assumption that affect the reported amounts of assets and liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period the same is determined.

b. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

c. Investments

Investments are carried at cost net of adjustments for the company's share in profits or losses as recognized.

d. Employee Benefits

i) Defined contribution plans:

Contributions paid/payable to defined contribution plans comprising of provident fund is recognized as expenses during the period in which the employees perform the services that the payments cover.

The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.



ii) Defined benefit plan

Gratuity for employees is covered under a scheme of SBI Life Insurance and contributions in respect of such scheme are recognized in the Profit and Loss Account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation, at the Balance Sheet date, carried out by an independent actuary. Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Profit and Loss account as income or expense.

iii) Short term employee benefits

Short term employee benefits including compensated absences as at the Balance Sheet date are recognized as an expense as per the Company's schemes based on the expected obligation on an undiscounted basis.



ARSS Damoh Hirapur Tolls Private Ltd.

B. Notes to financial statements for the year ended

1. Share Capital

Authorized shares :

1,50,00,000

equity shares of Rs. 10/- each

Issued, Subscribed & Paid up Shares

1,48,00,000 equity shares

of Rs. 10/- each fully paid up.

Total Issued, Subscribed and fully paid up Shares Capital

31st March 2012

31st March 2011

₹

₹

150,000,000

150,000,000

148,000,000

-

148,000,000

-

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity Shares

31st March 2012

31st March 2011

No. of Shares

No. of Shares

₹

At the beginning of the Period

-

-

Issued during the period

14,800,000

-

Outstanding at the end of the period

14,800,000

-

b) Terms/right attached to equity shares

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.

During the year ended 31st March 2012, no amount of dividend was recognized as distributions to equity shareholders.

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.

c) Details of shareholders holding more than 5% shares in the company

31st March 2012

31st March 2011

No. of Shares

%

No. of Shares

%

Equity shares of Rs. 10/- each
fully paid

ARSS Infrastructure Projects Ltd.

14,760,000

99.73

-

-

14,760,000

99.73

-

-



2. Share Application Money pending allotment

	31 st March 2012	31 st March 2011
	₹	₹
Share Application Money	6,66,75,366	-
	6,66,75,366	-

The Share application money is proposed to be allotted at Rs. 10/- per share at par resulting in allotment of 66,67,536 nos. shares. The allotment is proposed to be completed before 31st March 2013.

The authorized capital of the company is insufficient to cover the shares to be allotted. The company is taking steps to increase the Authorised Capital to cover the allotted shares.

3. Long-term borrowings

	Non-Current Maturities		Current Maturities	
	31 st March 2012	31 st March 2011	31 st March 2012	31 st March 2011
	₹	₹	₹	₹
Term loans				
From Banks	567,187,120	-	-	-
	567,187,120	-	-	-

a) Indian rupee loan from banks carries interest @ 14.25% p.a. The loans are repayable in 36 quarterly instalments starting from 2 years from the dates of COD i.e. the 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 licences, permits, approvals, consents and insurance policies in respect of the project of two laning of Damoh Hirapur Road. The above loan are backed by personal guarantee of Directors and Parent Companies.

4. Other current liabilities

	31 st March 2012	31 st March 2011
	₹	₹
Audit Fees Payable	16,854	-
TDS Payable	1,331,943	-
	1,348,797	-

5. Capital Work-in-Progress

Capital Work-in-Progress	350,754,825	-
	350,754,825	-



6. Trade receivables and other assets

Unamortized expenditure

Preliminary Expenses (to the extent not written off or adjusted)

Non-Current	
31 st March 2012	31 st March 2011
₹	₹
867,110	-
867,110	-

7. Cash and cash equivalents

Cash and cash equivalents

Balances with banks:

On current accounts

Cash in hand

Current	
31 st March 2012	31 st March 2011
₹	₹
5,479	-
237,562	-
243,041	-

8. Loans and Advances

Advances recovered in cash or kind

Secured Considered good

Total

Current	
31 st March 2012	31 st March 2011
₹	₹
431,346,307	-
431,346,307	-

As per our report of even date

For P. A. & Associates
Chartered Accountants
Firm Regn. No. 313085E

(CA. B. N. Dash)

Partner

M. No.062142

Bhubaneswar

The 14th day of May, 2012



For and on behalf of the Board of Directors

(Sunil Agarwal)

Director

(Shiv Kumar Singla)

Director

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