

Madhu Sharma

Chartered Accountants

305, Ratan Chamber, Ring Road, Surat-395002(INDIA)

E-mail:ca.madhu21@hotmail.com

AUDITOR'S REPORT

To,
The Member of
ARC Translogistic India Pvt. Ltd.

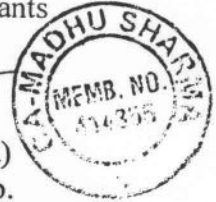
1. We have audited the attached Balance Sheet of ARC Translogistic India Pvt. Ltd. as at 31st March 2012 and Profit & Loss Account for the year ended on that date together with schedules and notes thereon annexed there to. These financial statements are the responsibility of the company's management. Our responsibility is to express opinion on this financial statement based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by 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 Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the company Act, 1956, we attach a separate **annexure** on the matters Specified in paragraphs 4 and 5 of the said order.
4. Further we report that:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the company so far as appear from our examination of the books.
 - c) The Balance Sheet and Profit & Loss accounts dealt with by this Report are in agreement with the books of account.
 - d) The company has duly complied with the accounting standard referred to in section 211 (3C) of the companies act 1956.

- e) As per information and explanation given to us, none of the director, of the company is disqualified from being appointed as a director in terms of cause (g) of the sub section (1) of section 274 of the companies act 1956;
- f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the notes thereon give the information required by the companies act, 1956. in the manner so required and give a true and fair view.
1. In the case of Balance Sheet of the state of affairs of the company as at 31st march ,2012
 2. In the case of Profit & Loss account of the loss of the company for the year ended on that date.

Place : Jaipur
Dated: 27/08/2012

For, Madhu Sharma
Chartered Accountants

Madhu
(Madhu Sharma)
Prop.



ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph (3) of our report of even date on account of **ARC Translogistic India Private Limited** for the year ended on 31st March , 2012.


1. (a) The company is maintaining proper records showing full particulars situation of fixed assets.
(b) The company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and the nature of its assets and no material discrepancy has been noticed.
(c) During the year the company has not disposed off any of its fixed assets.
2. (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained in section 301 of the act.
(b) The company has taken secured loans from HDFC Bank & Sunderam Finance Ltd. Sum of Rs.10653191/- and unsecured loan of Rs.5484400/- from Directors.
(c) The rate of interest and other terms and condition of loan taken as mention in para (b) above are not prima facie prejudicial to the interest of the company.
3. In our opinion and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business for purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls.
4. In our opinion and according to the and explanation given to us the company has not accepted any deposits from the public in violation of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
5. According to the information and explanation given to us and based on the documents and records produced before us, the company is not in default repayment of dues to any financial institution or bank at the year end.
6. According to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
7. According to the information and explanation given and examined by us, the company has not given any guarantee except given for hire purchase loan for Lorry.
8. As per information given to us and the record examined by us, the company has not applied for any term loan except hire purchase loan for lorry.



9. On the basis of an overall examination of the balance sheet of the company and the information and explanation given to us, we report that the company has not utilized the fund raised on short term basis for the long term investment and vice-versa
10. During the year under review, the company has not made any allotment of shares to any party.
11. The company did not issue any debenture during the year.
12. Based on the audit procedure performed and information and explanations given by the management, we report that no fraud on or by the company has been notice or reported during the year.
13. As per the information and explanation given to us and taken into consideration the nature of business of the company, clause (vii), (xiii), (xiv) and (xx) of paragraph 4 of the companies (Auditors Report) Order, 2003 are not applicable to the company.

Place: Jaipur
Date: 27/08/2012

For **Madhu Sharma**
Chartered Accountants


(Madhu Sharma)
Prop.



ARC TRANSLOGISTIC INDIA PRIVATE LIMITED

A-105, Sangam Colony Road No.-14

VKI Area, Jaipur

Balance Sheet as at 31st March, 2012

Particulars	Note No	As at March31, 2012 Rs.	As at March31, 2011 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds	1	100000	100000
(a) Share Capital			
(b) Reserves and Surplus	2	877202	-
(c) Deferred Tax Liability	3	396083	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	16137591	14400
(4) Current Liabilities			
(a) Short-term borrowings	5	796919	-
(b) Trade payables	6	15365054	-
(c) Other current liabilities	7	1062475	5000
Total		34735324	119400
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	12831010	-
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long term loans and advances	9	407668	34400
(2) Current assets			
(c) Trade receivables	10	19033086	-
(d) Cash and cash equivalents	11	2281806	85000
(e) Short-term loans and advances	12	181754	-
Total		34735324	119400

See accompanying notes forming part of the financial statements

As per our report of even date

For Madhu Sharma
Chartered Accountants

Madhu Sharma
Proprietor
Mem. No.414355
Place Jaipur
Date:27/08/2012



For: ARC TRANSLOGISTIC INDIA PRIVATE LIMITED

(Ramesh Kumar Sharma)
(Director)

(Sunita Ramchandra)
(Director)

ARC TRANSLOGISTIC INDIA PRIVATE LIMITED

A-105, Sangam Colony Road No.-14
VKI Area, Jaipur

Notes forming part of the Financial Statements

1 Share Capital

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
<u>Authorised Capital</u> 50000 Shares @ Rs. 10/- each share	500000	500000
 <u>Issued and Subscribed Capital</u> 10000 Shares @ Rs. 10/- each share	100000	100000

2 Reserve and Surplus

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
Balance of Profit & Loss A/c	877202	-
	<u>877202</u>	<u>-</u>

3 Deferred Tax Liability

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
Depreciation as per I.Tax Act	2080357	0
Dpreciation as per Co. Act	859887	0
Difference	1220470	0
Liability Provided @ 32.45% on difference	396083	0
	<u>396083</u>	<u>0</u>

4 Long-term borrowings

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
<u>Secured Loans (Against Hypothication of Trucks)</u>		
HDFC Bank Ltd.	7409847	-
Sunderam Finance Ltd.	3243344	-
	<u>10653191</u>	<u>-</u>

Unsecured Loans- From Directors

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
Ramesh Kumar Sharma	5374400	14400
Sharda Devi	50000	-
Sunita Devi	60000	-
	<u>5484400</u>	<u>14400</u>

5 Short-term borrowings

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
Ramesh Kumar Sharma-Salary A/c	204129	-
Sharda Devi-Salary A/c	293820	-
Sunita Devi- Salary A/c	298970	-
	<u>796919</u>	<u>-</u>

6 Trade Payables

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
Misc. Lorry Hire Payables (Less than Six Month)	15365054	-
	<u>15365054</u>	<u>-</u>

7 Other Current Liabilities

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
TDS Payable	428454	-
Expenses Payable	94401	-
Salary Payable	108700	-
Bonus Payable	80200	-
Leave Salary Payable	19745	-
Provision for Taxation	318475	-
Audit Fees Payable	12500	5000
	<u>1062475</u>	<u>5000</u>



ARC TRANSLOGISTIC INDIA PRIVATE LIMITED

A-105, Sangam Colony Road No.-14

VKI Area, Jaipur

Profit and Loss statement for the year ended 31st March, 2012

Particulars	Note No	As at March31, 2012	As at March31, 2011
I. Revenue from operations		Rs.	Rs
II. Other Income	13	103192854	0
		0	0
III. Total Revenue (I +II)		103192854	
IV. Expenses:			
Operational Expenses	14	95199057	0
Employee benefit expense	15	1595673	0
Financial costs	16	285332	0
Depreciation and amortization expense	8	859887	0
Other expenses	17	3661145	0
Total Expenses		101601094	0
V. Profit before exceptional and extraordinary items and tax	(III - IV)	1591760	0
VI. Exceptional Items		0	0
VII. Profit before extraordinary items and tax (V - VI)		1591760	0
VIII. Extraordinary Items		0	0
IX. Profit before tax (VII - VIII)		1591760	0
X. Tax expense:			
(1) Current tax		318475	0
(2) Deferred tax		396083	0
XI. Profit(Loss) from the perid from continuing operations	(IX-X)	877202	0
XII. Profit/(Loss) from discontinuing operations		0	0
XIII. Tax expense of discounting operations		0	0
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		0	0
XV. Profit/(Loss) for the period (XI + XIV)		877202	0
XVI. Earning per equity share:			
(1) Basic		87.72	N.A.
(2) Diluted			

See accompanying notes forming part of the financial statement

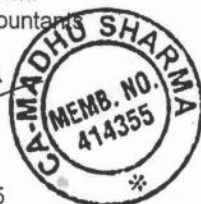
As per our report of even date

For Madhu Sharma

Chartered Accountant

For: ARC TRANSLOGISTIC INDIA PRIVATE LIMITED

Madhu Sharma
Proprietor
Mem. No.414355
Place Jaipur
Date:27/08/2012



Ramesh Kumar Sharma
(Ramesh Kumar Sharma)
(Director)

Sunita Ramchandra
(Sunita Ramchandra)
(Director)

8. Fixed Assets

	Gross Block				Depreciation				Net Block	
	As at March 31,2011	Additions	Deductions	As at March 31,2012	As at March 31,2011	For the Year	Deductions	As at March 31,2012	As at March 31,2012	As at March 31,2011
Trucks	0	13520767	0	13520767	0	830030	0	830030	12690737	
Computers	0	71100	0	71100	0	19737	0	19737	51363	
Furniture & Fixture	0	70760	0	70760	0	7780	0	7780	62980	
Mobiles	0	28270	0	28270	0	2340		2340	25930	
	0	13690897	0	13690897	0	859887	0	859887	12831010	
Previous Year	0	0	0	0	0	0	0	0	0	



9 Long Term Loans and Advances

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
Advance Income Tax	400000	-
TDS-By Parties	7668	-
Preliminary Expenses	0	34400
	<u>407668</u>	<u>34400</u>

10 Trade Receivables

(un Secured, considered good)

More than Six Months
Others

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
More than Six Months	593517	-
Others	18439569	-
	<u>19033086</u>	<u>-</u>

11 Cash & Cash Equivalents

Cash In Hand
Balances With Bank
In Current Account

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
Cash In Hand	55857	85000
Balances With Bank In Current Account	2225949	-
	<u>2281806</u>	<u>85000</u>

12 Short Term Loans and Advances

Salary Advance
Prepaid Expenses

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
Salary Advance	57500	-
Prepaid Expenses	124254	-
	<u>181754</u>	<u>-</u>



ARC TRANSLOGISTIC INDIA PRIVATE LIMITED

A-105, Sangam Colony Road No.- 14
VKI Area, Jaipur

Notes forming part of the Financial Statements

13 Revenue from operations

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
Freight Received (inclusive of Hamali)	100910607	-
Own Lorry Freight	2282247	-
	<u>103192854</u>	<u>-</u>

14 Operation Expenses

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
Lorry Hire	92935643	-
Hamali Expenses	333858	-
Own Lorry Expenses	1929556	-
	<u>95199057</u>	<u>-</u>

15 Employee benefit expenses

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
Salary	1349090	-
Bonus	80200	-
Leave Salary	19745	-
Staff Welfare Expenses	146638	-
	<u>1595673</u>	<u>-</u>

16 Financial costs

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
Interest to Bank	227133	-
Interest to Others	54534	-
Bank Charges	3665	-
	<u>285332</u>	<u>-</u>

17 Other expenses

	As at March 31, 2012 Rs.	As at March 31, 2011 Rs
Telephone expenses	169536	-
Car Repair & Maintinace	58792	-
Car Running expenses	173689	-
Director's Remmuration	2100000	-
Subscription	2120	-
Computer expenses	13210	-
Conveyance expenses	47332	-
Electric & water expenses	33928	-
Motor cycle/Scooter expenses	68438	-
Office expenses	195498	-
Postage expenses	13703	-
Printing & Stationery expenses	136020	-
Rent expenses	438530	-
Audit Fee	7500	-
Preliminary Exp. Written off	34400	-
Travelling expenses	168449	-
	<u>3661145</u>	<u>-</u>



ARC TRANSLOGISTIC INDIA PRIVATE LIMITED
A-105, Sangam Colony, Road No. 14, VKI Area , Jaipur

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A **Significant Accounting Policies :**

1. **Basis of Accounting**

The accounts have been prepared on historical cost convention and on the basis of going concern with revenues recognized accounted on accrual basis.

2. **Recognition of Income and Expenditure**

The assessee follows the accrual basis of accounting

Valuation of inventories

Not applicable, since there is no stock transaction in transport business

4. **Depreciation**

Depreciation is provided on 'written down value' at the rate and in the manner specified in Companies Act, 1961.

5. **Contingent Liabilities**

Assessee has not informed about any contingent liability as on date

B. **Notes on Accounts:**

1. In the opinion of the assessee the Current Assets, Loans & Advances are approximately of the value stated and realized in the ordinary course of business. The Provisions for all known liabilities are adequate.

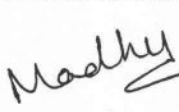
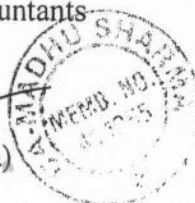
Sundry debtors, sundry creditors are subject to confirmation and reconciliation. Consequential adjustment thereof, if any will be given effect in to the books of accounts in the year of such adjustment.

3. Earning of foreign exchange -NIL


4. Expenditure in foreign currency -NIL

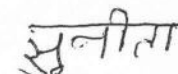
As per our separate report of even date attached

For: Madhu Sharma
Chartered Accountants


(Madhu Sharma) 

For ARC TRANSLOGISTIC INDIA PVT. LTD.


(Ramesh Kumar Sharma)
(Director)


(Sunita Ramchandra)
(Director)

Details of Notes forming part of the Financial Statements

Trade Receivable	As at	As at	As at
	March 31, 2012	March 31, 2012	March 31, 2011
	Rs.	Rs.	Rs.
	More Than Six	Others	
	Month		
Biogenitic Drugs Pvt. Ltd.		294663	-
Advance Enterprises		8500	-
Chetak Logistics Ltd.		4000	-
JVS Foods Pvt. Ltd.		42990	-
S.B. Steels		3000	-
Flora-O-Foods		4587590	-
Genus Innovation Ltd.		1019319	-
Genus Power Infr. Ltd.	560517	9467494	-
Jaipur Steel Strips Pvt. Ltd.		11250	-
M.P. Agrotonic Ltd.		147232	-
Riddhi Sidhi Innovation Pvt. Ltd.		85300	-
RMC Switch Gears Ltd.		2450774	-
Rohan Builders India Pvt. Ltd.	33000	0	-
Veto Switch Gears & Cables Pvt. Ltd.		288677	-
Safeco Logistics Ltd.		18000	-
TCI		10780	-
	593517	18439569	-

Wadhwa