

# **MSK PROJECTS (HIMMATNAGAR BYPASS) PVT.LTD.**

**707, Sterling Centre, R.C. Dutt Road, Alkapuri, BARODA-390 005.  
Phone: 2359893 / 2344756 ♦ Fax: (0265) 2341642**

## **DIRECTORS' REPORT**

To,  
The Members,  
**MSK Projects (Himmatnagar Bypass) Private Limited**

Your Directors have pleasure in presenting their 7<sup>th</sup> Annual Report and Audited Financial Statement for the year ended on 31<sup>st</sup> March 2012.

### **FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2012**

<b>Particulars</b>	<b>Amount (in Rs.)</b>
Total Income	23,290,016
Total Expenses	13,073,633
Profit/Loss Before Taxation	10,216,382
Tax Expenses	2,022,710
<b>Profit/(Loss) for the period</b>	<b>8,193,672</b>
<b>Balance Carried to Balance Sheet</b>	<b>8,193,672</b>

### **DIVIDEND**

Your directors do not recommend any dividend on equity shares of the Company for the year ended March 31, 2012.

### **DIRECTORS**

The constitution of the Board of Directors is in accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company. Mr. H. M. Karna retires at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

### **AUDITORS**

M/s H. K.Shah & Co., Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting, being eligible for reappointment, you are requested to re-appoint them.

### **AUDITORS' REPORT**

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

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## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company is not engaged into manufacturing activities and the company has no particulars to offer under the Companies (Disclosure of particulars in the Report of Board of Director) Rules, 1988.

## **PARTICULARS OF EMPLOYEES**

No employee of the Company comes under the purview of section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 1988.

## **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your directors confirm that:

- in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimated that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing the detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis.

## **FOR & ON BEHALF OF THE BOARD**

Sd/-  
**R. K. Telang**  
Director

Sd/-  
**H. M. Karna**  
Director

**Place: Baroda**  
**Date: 25.05.2012**

**MSK PROJECTS (HIMMATNAGAR BYPASS)  
PRIVATE LIMITED**

**Audit Report - 2011-12**

**:: Auditors ::**

**H K Shah and Co.**

**Chartered Accountants**

**Ahmedabad, Vadodara, Gandhinagar, Vapi & Mumbai**

CA K. M. Shah 99241 12785  
B.Com., D.T.P., F.C.A.

CA H. K. Shah 98257 22785  
B.Com., L.L.B., D.T.P., F.C.A.

CA G. K. Shah 98258 44995  
B.Com., F.C.A., D.I.S.A. (ICAI)



# H. K. Shah & Co.

## Chartered Accountants

CA J. G. Vaidya 99099 19785  
B.Com., F.C.A.

CA T. H. Patel 99099 19785  
B.Com., F.C.A., C.P.A.

CA M. G. Desai 9998612120  
M.Com., A.C.A.

### AUDITORS' REPORT

**To**  
**The Members,**  
**MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED**

We have audited the attached Balance-sheet of MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED, as at 31 March 2012, Profit and Loss account and cash flow for the year ended on that date. These financial statements are the responsibility of the Company's Management; our responsibility is to express an opinion on these financial statements based on our audit.

We conduct our audit in accordance with auditing standards generally accepted in India. Those Standard require that we plan 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 statements. 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.

In accordance with the provisions of Section 227 of the Companies Act, 1956, we report that -

1. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms section 227- (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in the above paragraph, we report that:
  - a) 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.



**Mailing Address : 404, "SARAP" Building, 4th Floor, Opp. Navjivan Press, Nr. Income Tax, Off Ashram Road, Ahmedabad-380014**  
**Phone : 079-27544995 / 2785 Fax : 079-27544995 (M) 9909919785**

**Head Office : Gandhinagar (Guj.) Branches in Gujarat : Ahmedabad, Vadodara, Vapi Branch in Maharashtra : Kandiwali (East) Mumbai**

e-mail : hkshahandco@gmail.com, hkshahandco@hotmail.com  
PAN No. : AACFH 1917 R SERVICE Tax No. : AACFH 1917 R - ST001  
C&AG Regn. No. : WRO / 510. ICAI Regn. No. : 109583/W



- b) In our opinion, proper books of accounts as required by law have been kept by the company as far as appears from our examination of such books.
- c) The Balance Sheet dealt with by this report is in agreement with the books of account of the Company.
- d) On the basis of written representations received from the Directors and taken on record by the board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- e) In our opinion, the Balance-sheet dealt with by this report complies with the Accounting Standards as referred to in Sub Section (3C) of Section 211 of the Companies Act.1956.
- f) In our opinion and to the best to the knowledge and information and explanations received from the company, the cess payable under section 441A is not applicable to the company.
- g) In our opinion and to the best of our information and according to the explanation given to us, the said accounts 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.
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012.
- ii. In case of Profit & Loss account, of the profit for the year ended 31<sup>st</sup> March, 2012; and
- iii. In the case of cash flow statement, of the cash flow for the year ended 31<sup>st</sup> March, 2012.

**For, H. K. SHAH & CO,**  
**Chartered Accountants**  
**FRN: 109583/w**

*H. K. Shah*

**Partner**  
**M. No** 042758  
**Place:** Ahmedabad  
**Date:** 25/05/2012



ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBER OF M/S. MSK PROJECTS (HIMMATNAGAR BYPASS) (P) LIMITED, VADODARA ON THE ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

**(REFERRED TO IN PARAGRAPH 3 OF THE OUR REPORT OF EVEN DATE)**

1. (a) Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As per the information and explanations given to us, in our opinion, the fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verifications and the same have been properly dealt with in the books of accounts.
  - (c) No substantial part of fixed assets have been disposed off during the year, and according to our opinion and explanations given to us, it does not affected the going concern of the Company.
2. As explained to us the company have not purchase any materials during the year, the question does not arise for physical verification.
3. (a) The Company has not taken any unsecured loan from the parties covered under the register maintained u/s 301 of the companies Act 1956. The Company has not granted any loan secured or unsecured to companies, firms or other parties listed in Register maintain u/s 301 of the companies Act' 1956.
  - (b) In our opinion, the rate of interest, where applicable and other terms and conditions on which loan have been taken from / granted to the companies and other parties listed in the register maintain u/s 301 of the Companies Act' 1956 are not prime-facie, Prejudicial to the interest of the Company.
  - (c) The Company is regular repaying the Principal Amount where ever stipulated and has been regular in the payment of Interest where ever stipulated.
4. The Company has adequate internal control procedure commensurate with the size of the Company and the nature of its business of Construction of Road under B.O.T. Scheme and Toll Collection.
5. (a) To the best of our knowledge and belief, and according to information and explanation given to us, the transaction that needed to be entered in to the register maintained u/s 301 of the Companies Act 1956 have been so entered.
  - (b) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of Contract or arrangement entered in the





- register maintained u/s 301 of the Companies Act 1956 and exceeding value of Rupees Five Lacs in respect of any parties during the year have been made at prices which are reasonable having regards to prevailing market price at the relevant time.
6. During the year company has not accepted deposits from the Public within the meaning of Section 58-A, of the Companies Act. 1956.
  7. The Company has internal audit system, which is commensurate with the size of the company.
  8. The Central Government has not prescribed the maintenance of Cost records Under Section 209 (1) (d) of the Companies Act 1956 for any of the product of the Company.
  9. (a) According to the records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other Statutory dues with the appropriate authorities
  - (b) According to information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as on 31<sup>st</sup> March 2012 for a period of more than Six Months and from the day they become payable.
  - (c) According to the Information and explanation given to us there are no dues of Sales Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
  10. The Company has no accumulated losses and has not incurred Cash losses in the current financial year and in the immediate preceding financial year.
  11. The Company has not defaulted in repayment of dues to any financial institute or Banks.
  12. The Company has not granted loan and advance on the basis of security by way of pledge of Share, Debenture or other securities.
  13. The Provision of any Special Statue applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Society are not applicable to the Company.
  14. The Company is not dealing in or trading in shares, Securities, Debenture or other Investments and hence, requirement of paragraph 4(xiv) are not applicable to the company.
  15. In our opinion and according to information and explanation given to us the company has not given guarantee for loan taken by others from Bank / financial institutions.



16. In our opinion and according to the information and explanations given to us, the term loan has been applied for the purpose for which they were raised.
17. According to the Cash Flow Statement and other records examined by us and on the basis of information and explanation given to us, on over all basis fund raised on Short Term basis have prima facie not being used during the year for Long Term Investment and Vice Versa.
18. In our opinion and accordingly to information and explanation given to us, the company has not allotted equity on preferential share allotment of share to parties and companies during the year.
19. Since the Company does not have any debenture the question of creation of securities for debenture does not arise.
20. Since the Company has not raised money by Public Issue, this clause is not applicable.
21. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year.

**FOR, H. K. SHAH & CO.,**  
**CHARTERED ACCOUNTANTS**  
FRN: 109583/w

*H. K. Shah*

**Partner**

**M. No:** 042758

**Place:** Ahmedabad

**Date:** 25/05/2012





**MSK Projects (Himmatnagar Bypass) Private Ltd**

Balance Sheet as at March 31, 2012

*All amounts in Indian Rupees*

Particulars	Notes	March 31, 2012	March 31, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	2,420,000	2,420,000
(b) Reserves and Surplus	2	34,021,772	25,828,099
Share application money pending allotment			
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowing	3	8,663,135	18,549,378
<b>Current Liabilities</b>			
(a) Short Term Borrowing	4	2,013,476	2,187,722
(b) Other Current Liabilities	5	12,358,494	16,941,465
(c) Provision	6	2,036,176	663,130
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>61,513,053</b>	<b>66,589,794</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	7	431,962	
(ii) Build. Operate Transfer Project Expenditure		48,903,369	55,622,394
(b) Non Current Investments			
(c) Other Non Current Assets	8	5,770,743	4,157,512
(d) Deferred tax Assets (net)	9	13,466	
<b>Current Assets</b>			
(a) Cash and Cash Equivalents	10	5,003,971	6,730,094
(b) Short Term Loans and Advances	11	358,139	60,241
(c) Other Current Assets	12	1,031,404	19,553
<b>TOTAL ASSETS</b>		<b>61,513,053</b>	<b>66,589,794</b>

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

For H.K. Shah & Company

Chartered Accountants

Firm Registration No.:

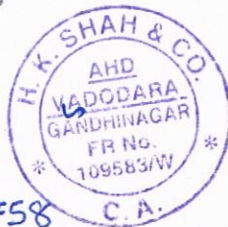
*H.K. Shah*

Partner

Membership No.: 042758

Date: 25/05/2012

Place: AHMEDABAD



For and on behalf of the Board of Directors

*[Signature]*

Director

*[Signature]*

Director

**MSK Projects (Himmatnagar Bypass) Private Ltd**  
**Profit and Loss statement for the year ended 31st March, 2012**

Particulars		Notes	March 31, 2012	March 31, 2011
I.	Revenue from operations	13	23,271,822	13,484,950
ii.	Other Income	14	18,194	8,812
iii.	<b>Total Revenue (I +ii)</b>		<b>23,290,016</b>	<b>13,493,762</b>
IV.	<u>Expenses:</u>			
	Employee benefit expense	15	1,469,379	1,098,835
	Financial costs	16	2,616,183	3,960,433
	Depreciation and amortization expense	17	6,760,528	4,699,995
	Repairs and maintenance expenses	18	1,862,814	208,473
	Other expenses	19	364,729	422,011
	<b>Total Expenses</b>		<b>13,073,633</b>	<b>10,389,747</b>
V.	Profit before tax (III - IV)		10,216,382	3,104,014
VI.	Tax expense:			
	(1) Current tax		2,036,176	709,487
	(2) Deferred tax		(13,466)	
VII.	Profit/(Loss) for the period (V -VI)		8,193,672	2,394,527
VIII.	Net Profit/(Loss) Carried to B/Sheet		8,193,672	2,394,527
IX.	Earning per equity share:			
	(1) Basic		33.86	9.89
	(2) Diluted		33.86	9.89

Significant Accounting Policies

B

The accompanying notes are an integral part of the financial statements

As per our report of even date

For H.K. Shah & Company

Chartered Accountants

Firm Registration No.:

*H.K. Shah*



Partner

Membership No.: 042758

For and on behalf of the Board of Directors

*[Signature]*  
Director

*[Signature]*  
Director

Date :- 25/05/2012

Place :- AHMEDABAD



MSK Projects (Himmatnagar Bypass) Private Ltd  
Cash Flow Statement for the year ended March 31, 2012

	March 31, 2012	March 31, 2011
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before taxation	10,216,382	3,104,014
Add adjustment for non cash items:		
Depreciation and amortisation	6,760,528	4,699,995
Financial Expenses including Interest	2,616,183	3,960,433
<b>Operating Profit before Working Capital changes</b>	<b>19,593,093</b>	<b>11,764,442</b>
<b>Working Capital Adjustments for:</b>		
Increase/ (decrease) in other current liabilities	(4,582,971)	(295,241)
Increase/ (decrease) in provisions		
Decrease / (increase) in short-term loans and advances	(297,898)	470,416
Decrease / (increase) in other current assets	(1,011,851)	37,544
Decrease / (increase) in other non-current assets	(1,613,231)	52,490
Cash generated from / (used in) operations	(7,505,951)	265,209
<b>CASH GENERATED FROM OPERATIONS</b>	<b>12,087,142</b>	<b>12,029,651</b>
Income tax Paid	(663,130)	(46,357)
<b>Net Cash inflow from/ (outflow) from Operating activities</b>	<b>11,424,012</b>	<b>11,983,294</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(473,465)	
Redemption of Non Current Investments		232,743
<b>Net Cash inflow from/ (outflow) from Investing activities</b>	<b>(473,465)</b>	<b>232,743</b>
<b>C. Cash Flow from Financing Activities</b>		
Repayment of borrowings	(10,060,489)	(2,802,643)
Financial Expenses including Interest	(2,616,183)	(3,960,433)
<b>Net Cash inflow from/ (outflow) from Financing activities</b>	<b>(12,676,672)</b>	<b>(6,763,076)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,726,124)</b>	<b>5,452,961</b>
Opening Cash and Cash Equivalents	6,730,094	1,277,133
Closing Cash and Cash Equivalents	5,003,969	6,730,094
<b>Closing Cash and Cash Equivalents</b>		
Cash in hand	3,641,490	3,504,315
Balance with banks (excl. restricted balance)	1,362,481	3,225,779
	<b>5,003,971</b>	<b>6,730,094</b>

Note: The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date

For H.K. Shah & Company  
Chartered Accountants  
Firm Registration No.:

*H.K. Shah*

Partner

Membership No.: 042758

Date: 25/05/2012

Place: AHMEDABAD



For and on behalf of the Board of Directors

*[Signature]*

Director

*[Signature]*

Director

# MSK Projects (Himmatnagar Bypass) Private Ltd

## B NOTES TO ACCOUNTS

### 1 Share Capital

	March 31, 2012	March 31, 2011
	Amount	Amount
<b>Authorised:</b>		
2,50,000 Previous Year (2,50,000) EQUITY SHARES OF Rs.10/- EACH	2,500,000	2,500,000
<b>Issued, subscribed and fully paid up:</b>		
2,42,000 Previous Year (2,42,000) EQUITY SHARES OF RS. 10/- each Fully Paid up	2,420,000	2,420,000
<b>Total Issued, subscribed and fully paid up Share Capital</b>	<b>2,420,000</b>	<b>2,420,000</b>

#### a Reconciliation of shares outstanding at the beginning and at the end of the period

	March 31, 2012		March 31, 2011	
	No.	Amount	No.	Amount
At the beginning of the period	242,000	2,420,000	242,000	2,420,000
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>242,000</b>	<b>2,420,000</b>	<b>242,000</b>	<b>2,420,000</b>

#### b Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	March 31, 2012	March 31, 2011
	Amount	Amount
Welspun Project Limited	2,420,000	2,420,000
2,42,000 Previous Year (2,42,000) EQUITY SHARES OF RS. 10/- each Fully Paid up		

#### c Details of shareholders holding more than 5% shares in the Company

	March 31, 2012		March 31, 2011	
	No.	% Holding	No.	% Holding
Welspun Project Limited	242,000	100%	242,000	100%

### 2 Reserves and Surplus

	March 31, 2012	March 31, 2011
	Amount	Amount
Securities Premium	20,880,000	20,880,000
<b>Profit and Loss account</b>		
Balance As per Last financial statements	4,948,099	2,553,572
Add: Profit for the year	8,193,672	2,394,527
Net surplus in the statement of profit and loss	13,141,772	4,948,099
<b>Total Reserves and Surplus</b>	<b>34,021,772</b>	<b>25,828,099</b>





**MSK Projects (Himmatnagar Bypass) Private Ltd**

**3 Long Term Borrowing**

	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	Amount	Amount	Amount	Amount
<u>Secured:</u>				
Term Loan from State bank of India	8,663,135	18,549,378	9,336,000	5,604,000
	<b>8,663,135</b>	<b>18,549,378</b>	<b>9,336,000</b>	<b>5,604,000</b>
<b>The above amount includes</b>				
Secure borrowing	8,663,135	18,549,378	9,336,000	5,604,000
un-secure borrowing	-	-	-	-
Amount disclosed under the head "other current liabilities (note no 5)			(9,336,000)	(5,604,000)
<b>Total Long Term Borrowing</b>	<b>8,663,135</b>	<b>18,549,378</b>	<b>-</b>	<b>-</b>

**Security Details**

- First Charge on the assignment of project rights/movable / im-movable property/intangible assets / uncalled capital of the borrower for the Himmatnagar bypass project and on assignement of all receivable / revenue of the projects.
- First charge on Company bank accounts from the Himmatnagar bypass projects including the Trust and Retention account / Escrow Account and Debt Service Reserve Account (Debt Servive Reserve account to be maintained in the form either Bank Guarantbee of ta First class Bank or deposits in the Escrow Account / Trust and Retention account to cover Six Month Principle and Interst Repayment)
- First Charge / Assignment Security Interest on the Compny;s right under the concession Agreement, Project documents, Contracts and All licences permits, approvals, Consents, and insurance policies in respect of the Himmatnagar Bypass Projects)
- Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Himmatnagar Bypass road Projects noting the interest of the lenders.
- First charge on all the intangible assets of the Company including but not limited to the Goodwill of the Company pertaining and specific to the Himmatnagatr Bypass Projects.
- First charge on all the revenue / receivable and projects accounts of the Company.

**4 Short term Borrowing**

	March 31, 2012	March 31, 2011
	Amount	Amount
<u>Unsecured</u>		
Welspun Projects Limited Advances	2,013,476	2,187,722
<b>Total Short Term Borrowing</b>	<b>2,013,476</b>	<b>2,187,722</b>

**5 Other Current Liabilities**

	March 31, 2012	March 31, 2011
	Amount	Amount
Trade Payables:		
Due to related parties	2,787,596	11,134,288
Others	225,259	186,545
Other Liabilities :		
-Current maturity of long term borrowing (note 3)	9,336,000	5,604,000
Others		
-TDS Payable	9,639	16,632
<b>Total Other Current Liabilities</b>	<b>12,358,494</b>	<b>16,941,465</b>

**6 Provisions**

	March 31, 2012	March 31, 2011
	Amount	Amount
Provision for Taxation	2,036,176	663,130
	<b>2,036,176</b>	<b>663,130</b>



**MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED**

Note No. 8 SR	FIXED - ASSETS		GROSS BLOCK		DEPRECIATION		NET BLOCK	
	AS ON 01/04/2011	AS ON 31/03/2012	ADDITION	DEDUCTION	ADDITION	DEDUCTION	AS ON 31/03/2012	AS ON 31/03/2011
<b>Tangible Assets</b>								
1			473,465	-	41,503	-	41,503	431,962
			473,465	-	41,503	-	41,503	431,962
<b>Total - (i)</b>								
	84,447,460	84,447,460	28,825,066	6,719,025	-	-	35,544,091	48,903,369
<b>Build, Operate &amp; Transfer Project Expenditure</b>								
2								
	84,447,460	84,447,460	28,825,066	6,719,025	-	-	35,544,091	48,903,369
<b>Total - (ii)</b>								
	84,447,460	84,447,460	28,825,066	6,760,528	-	-	35,585,593	49,335,331
<b>Total - (i) + (ii)</b>								
	84,447,460	84,447,460	24,126,664	4,698,402	-	-	28,825,066	55,622,394
<b>Previous year</b>								

\* Project Roads pertains to the costs incurred by the company for the construction of highway on a road owned by the Government of India under concession agreements entered into between the company and the Gujarat State Road Development Corporation (GSRDC). These agreements encompasses the construction, operation and maintenance of the highway on a Build, Operate, Transfer basis. The construction was completed in April 2006 . The concession for the company is valid till March, 2020.





## MSK Projects (Himmatnagar Bypass) Private Ltd

### 11 Short Term Loans and Advances

		March 31, 2012 Amount	March 31, 2011 Amount
<b>Security deposits</b>			
Unsecured, considered good	(A)	-	-
<b>Advance recoverable in cash or kind</b>			
Unsecured, considered good	(B)	329,115	-
		329,115	-
<b>Loans and advances to related parties</b>			
Unsecured, considered good	(C)	-	-
<b>Other Loans and advances</b>			
Unsecured, considered good	(D)	29,024	60,241
<b>Total Short Term Loans and Advances (A+B+C+D)</b>		<b>358,139</b>	<b>60,241</b>

### 12 Other Current Assets

		March 31, 2012 Amount	March 31, 2011 Amount
Interest Accrued but not dues		-	19,553.00
Tax Deducted/Advance Tax		1,031,404	-
<b>Total Other Current Assets</b>		<b>1,031,404</b>	<b>19,553</b>

### 13 Revenue

		March 31, 2012 Amount	March 31, 2011 Amount
Toll Collection		23,271,822	13,484,950
<b>Total Revenue</b>		<b>23,271,822</b>	<b>13,484,950</b>

### 14 Other Income

		March 31, 2012 Amount	March 31, 2011 Amount
Interest on fixed Deposits		18,194	8,812
<b>Total Revenue</b>		<b>18,194</b>	<b>8,812</b>



## MSK Projects (Himmatnagar Bypass) Private Ltd

### 15 Employee benefit expense

	March 31, 2012	March 31, 2011
	Amount	Amount
Bonus	80,914	49,870
House Rent	30,000	32,500
Medical Expense	600	352
Mess Expense	89,121	223,436
Salary	1,217,296	758,714
Staff Welfare Expense	51,448	33,963
<b>Total Employee benefit expenses</b>	<b>1,469,379</b>	<b>1,098,835</b>

### 16 Financial costs

	March 31, 2012	March 31, 2011
	Amount	Amount
Bank Charge	45,210	44,906
Commission on Bank Guarantee	31,960	49,360
Interest on Loan	2,539,013	3,866,167
<b>Total Financial Cost</b>	<b>2,616,183</b>	<b>3,960,433</b>

### 17 Depreciation & Amortisation

	March 31, 2012	March 31, 2011
	Amount	Amount
Depreciation	41,503	-
Amortisation on Build, Operate & Transfer project Expense	6,719,025	4,699,995
<b>Total Depreciation and Amortisation</b>	<b>6,760,528</b>	<b>4,699,995</b>

### 18 Repairs and Maintenance Expenses

	March 31, 2012	March 31, 2011
	Amount	Amount
Consumable Store	3,925	-
Electric Material	2,087	4,765
Repairs to Road Work	1,014,950	-
Cement	7,470	1,420
Sand	2,000	-
Metal	6,400	-
Termoplastic Paints	353,549	-
Repairing to Other	10,335	13,775
Repairing to Vehicles	9,309	4,198
Diesel & Oil	10,308	-
Bituman	81,900	-
Electric Power Bill	85,997	65,170
Toll Plaza	35,485	65,275
Wages	192,734	32,770
Transportation	14,800	-
Insurance	21,465	19,300
Vehicle Hire Charges	10,100	1,800
<b>Total Repairs and Maintenance Expenses</b>	<b>1,862,814</b>	<b>208,473</b>





## MSK Projects (Himmatnagar Bypass) Private Ltd

19 Other Expenses

	March 31, 2012	March 31, 2011
	Amount	Amount
Audit Fees	33,708	27,575
Tax Audit Fees	5,618	-
Computer Expense	6,700	2,650
Consultancy Charge	52,554	23,530
Conveyance Expense	28,822	8,782
D-Materisation of Shares	-	22,060
General Expense	39,069	9,945
Post & Telegrame Expense	8,324	10,002
Printing & Stationary Expense	150,714	86,805
Telephone Expense	10,230	5,591
Travelling Expense	13,280	4,624
ROC Filling Exp	8,070	10,920
Interest Exp	-	632
Security Charges	7,600	-
Concession Fees (GSRDC)	1	7
Lease Fees	1	-
Loss on sale of shares	-	209,469
Surplus & Deficit	37	(581)
<b>Total Other Expenses</b>	<b>364,729</b>	<b>422,011</b>



# MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED

Note – I

## NOTES FORMING PART OF THE ACCOUNTS

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

#### A). SIGNIFICANT ACCOUNTING POLICIES:

1). The accounts have been prepared under historical cost convention adopting the accrual basis.

#### 2). REVENUE RECOGNITION

All revenues and expenses are accounted on accrual basis.

#### INCOME FROM TOLL CONTRACTS

Toll revenue from operations of toll roads is recognized on actual toll collection.

#### INTEREST INCOME

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate on accrual basis.

#### 3). FIXED ASSETS

a. Fixed assets are stated at cost of acquisition as reduced by accumulated depreciation and impairment losses.

b. All direct expenditure attributable to fixed assets are capitalized.

#### BOT PROJECT EXPENDITURE

BOT Project Expenditure pertains to the costs incurred by the Company for construction of highway road under the concession agreement entered into between the Company and Gujarat State Road Development Corporation (GSRDC). This agreement encompasses the construction, operation and maintenance of the highway on a Build, Operate, and Transfer basis. The construction was completed in April 2006. The concession is valid for a period of 15 years (5112 days) including period of construction up to 31<sup>st</sup> March 2020.

#### 4). DEPRECIATION AND AMORTISATION:

##### Depreciation

Depreciation on assets is provided on written down value basis as per the rates and method prescribed under Schedule – XIV to the Companies Act 1956.

##### Amortization

BOT Project Expenditure is amortized / written off over the concession period on the basis of estimated revenue from the project toll road over the entire concession period.

#### 5). BORROWING COST

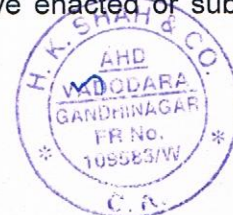
Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs are expensed in the period they occur.

#### 6). INCOME TAXES

Tax expense comprise of current and deferred tax. Provision for current tax is made based on taxable Income for the current accounting year and in accordance the provisions of the Income Tax Act 1961.

The Company is eligible for 100% tax holiday under section 80-IA of the Income Tax Act, 1961. As a result, timing differences arising and reversing during the tax holiday period are not recognized by the Company .

Deferred tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have enacted or substantially





## **MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED**

enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the assets will be adjusted in future.

### **B). OTHER NOTES**

#### **1). Build, Operation & Transfer (BOT) Project:**

The Company obtained Build, Operate & transfer (BOT) contract from Gujarat State Road Development Corporation for construction of Strengthening, widening & maintaining of Himmatnagar Bypass in terms of the contracts, the Company has entitled to collect the toll during the concession period of 15 years (5112 days), including the period of construction.

The Company has completed the construction of the said projects in the earlier years. Having regards to the accounting policies, followed by the Company the entire expenditure incurred is treated at BOT Project expenditure and proportionate amount of Rs. 67,19,025/- (Previous year Rs. 46,98,401/-) has been written off / amortized during the year.

#### **2). The Company is engaged in the business of construction, operation and maintenance of Road under Build, Operate and Transfer Scheme, which as per accounting standard AS-17 is considered as the only reportable business segment. The Company is operating in a single geographical segment i.e. India.**

#### **3). Contingent Liabilities**

Guarantee has been issued by the company's bankers on behalf of the company amounting to Rs.10 Lacs (Previous Year Rs. 27 Lacs) in favor of Gujarat State Road Development Corporation, Gandhinagar.

#### **3). Details of dues to Micro, Small and Medium Enterprises**

There are no dues to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31<sup>st</sup> March 2012. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

#### **4). In the opinion of the Directors, Current Assets, Loans and Advances have value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.**



# MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED

## 5). Transaction with related parties

- a). Name & relationship of the related parties:  
 - Welspun Projects Limited (Holding Company)
- b). Key Management Personnel:  
 - Ramkrishna Telang  
 - H.M. Karno

Rs. In Lacs

Sr	Particulars	Holding Company		Key management Person	
		31-3-12	31-3-11	31-3-12	31-3-11
1.	Loan Received	80.55	25.57	-	-
2.	Repayment of Loan Received	165.77	3.70	-	-
3.	Advance given			-	-
4.	Payable at the end of year	48.01	133.21	-	-
5.	Receivable at the end of year	-	-	-	-

## 6). Earning per Share:

Particulars	2011-12	2010-11
Net Profit after tax available for equity share holders	81,93,672	23,94,527
Weighted average number of equity shares of Rs.10/- each fully paid up out standing during the year	2,42,000	2,42,000
Basis and diluted Earning per Share (Rs.)	33.86	9.89

7). Previous Year figures are regrouped, rearranged or recast wherever considered necessary.

As per our report of even date

For H. K. Shah & Company  
 Chartered Accountants

For and on behalf of the Board of Directors

*H.K. Shah*

H. K. Shah  
 Partner

Membership No.: 042758

Date: 25/05/2012

Place: AHMEDABAD



Director

*[Signature]*

Director

*[Signature]*