

MSK PROJECTS (KIM MANDVI CORRIDOR) 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 (Kim Mandvi Corridor) Private Limited

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

FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Amount Rs.
Total Income	44,199,561
Total Expenses	31,969,089
Profit/Loss Before Taxation	12,230,471
Tax Expenses	2,511,777
Profit/(Loss) After Taxes	9,718,695
Balance Carried to Balance Sheet	9,718,695

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 Raju Shah Patel & Kotadia Associates, Chartered Accountants, Statutory Auditors of the Company retires 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.

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.

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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

**R. K. Telang
Director**

**H. M. Karna
Director**

**Place: Baroda
Date: 25.05.2012**



AUDITORS' REPORT

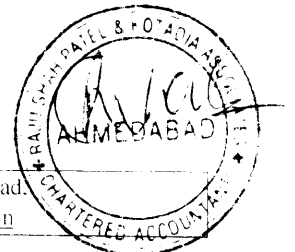
To
The Members
MSK PROJECTS (KIM MANDVI CORRIDOR) (P) LIMITED

We have audited the attached Balance-sheet of MSK PROJECTS (KIM MANDVI CORRIDOR) (P) LIMITED, as at 31 March 2012, 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 Standards 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.

1. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of 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.
 - 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 31st 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.





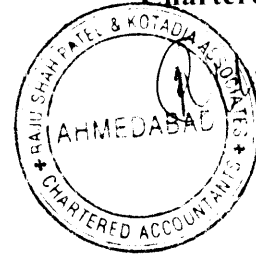
RAJU SHAH PATEL & KOTADIA ASSOCIATES
Chartered Accountants

B- 405 Premium House, Opp Gandhigram Rly. Stn. Ashram Road, Ahmedabad - 380 009
☎ 079 2658 0412, 2658 43 98 E-mail : shahmars@hotmail.com www.rspkasso.com

- 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 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 31st March, 2012
- ii) In the case of the statement of the Profit & Loss of the PROFIT of the company for the year ended on that date and,
- iii) In the case of the Cash flow statement, of the cash flow for the year ended on that date.

For Raju Shah Patel & Kotadia Associates
Firm Reg. No.120242W
Chartered Accountants

Place: AHMEDABAD
Date : 25.05.2012



Raju C. Shah
Partner
M.No.039024

Branch Office :23AB, Borivali Shiv Sagar CHS,Rambug Lane, Opp. Mulji Nagar,S V. Road,
Borivali (west)Mumbai -400 092 Phone :022 2865 0823 E-mail : sharpan@mtnl.net.in



RAJU SHAH PATEL & KOTADIA ASSOCIATES
Chartered Accountants

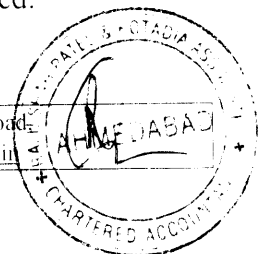
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ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBERS OF MSK PROJECTS
(KIM MANDVI CORRIDOR) PRIVATE LIMITED, VADODARA.

(REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE)

- 1(a) The company has acquired fixed assets during the year under review and has maintained proper record showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us the fixed assets have been physically verified by the management at the yearend which in our opinion, having regard to the size of the company and nature of its assets. No discrepancy has been noticed on such physical verification.
- (c) No disposal of any part of fixed assets of the Company has taken place During the year which affects the going concern concept.
2. In view of the company's nature of business the inventory is NIL hence reporting requirement under clause 4(ii) is not applicable to the company.
- 3(a) According to the information and explanations given to us the company has not granted loans Secured and / or Unsecured to any party covered under the register maintained under section 301 of the company's act 1956. Consequently reporting requirements of clause (iia) to (iic) of paragraph 4 of the order are not applicable.
- (b) The company has taken loans from **Welspun Projects Limited** (Holding Company) covered under the register maintained under section 301 of the companies act 1956 the maximum amount involved during the year was Rs. 2,56,47,100 and the yearend balance of loan taken from such party was Rs.2,08,80,566/-. The aforesaid loan is interest free and other terms are not prima facie prejudicial to the interest of the company.
- (c) The company is regular in repaying the principal amount where ever stipulated and has been regular in the payment of interest wherever stipulated.
4. In our opinion and according to the information and explanation given to us, there is adequate internal control procedure commensurate with the size of the Company and nature of its business for the financial activities and purchase of assets. During the course of our audit, no major weaknesses in internal control have come to our notice.
- 5(a) In our opinion and according to information and explanation given to us, the transaction made in pursuance of the contracts or arrangements that needed to be entered in the register maintained u/s 301 of the Companies Act 1956 have been so entered.

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- (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 Laacs 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 where ever direct comparison is available.
6. During the year the company has not accepted deposits from the Public within the meaning of section 58A, 58AA and other relevant provisions of the Companies Act,1956 & the rules framed there under.
7. The Company does not have an Internal Audit System.
8. As informed to us The Central Government has not prescribed the maintenance of Cost records Under Section 209 (1) (d) of the Companies Act 1956. In respect of the activity carried out by 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, Service Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other Statutory dues with the appropriate authorities.

Further since the Central Government has till date not prescribed the amount of cess payable under Section 441 of the companies act 1956 we are note in a position to comment upon the irregularity or otherwise of the company in depositing the same.

(b) According to information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty and excise duty were in arrears as at 31.03.2012. Regarding the TDS liability company was in default but the same has been paid after the balance sheet date with interest.

(c) According to the Information and explanation given to us there are no dues of Sales Tax, Service tax, Income 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 immediately preceding financial year.
11. Based on our audit procedures and information and explanations given by the management we are of the opinion that The Company has not defaulted in repayment of dues to any financial institution or Banks.

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12. In our opinion and according to information and explanations given to us no loans and advances have been granted by the company on the basis of security by way of pledge of shares , debentures or other securities.
13. In our opinion the company is not a chit fund or a nidhi/mutual benefit fund / society. Therefore, the reporting requirement under clause 4(Xiii) of the Companies Auditors Report Order 2003 is not applicable to the company.
14. According to the information and explanations given to us , the company is not a dealer or trader in securities , debentures or other investments and hence, reporting requirement of 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 other from Bank / financial institutions.
16. In our opinion and according the information and explanation given to us, no new term loan has been disbursed during the year hence question of reporting as to the use there of does not arise.
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 According to information and explanation given to us, the company has not made any Preferential Allotment of shares to parties and companies covered in register maintained u/s 301 of the companies act, during the year.
- 19 Since the Company does not have any debenture the question of creation of securities for debenture does not arise.
- 20 As 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.

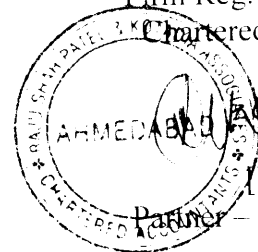
For. RAJU SHAH PATEL & KOTADIA ASSOCIATES

Firm Reg. No.120242W

Chartered Accountants

Place: Ahmedabad

Date : 25.05.2012



[Raju C. Shah]

Partner - M.No.039024

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MSK Projects (Kim Mandvi Corridor) Private Ltd
Balance Sheet as at March 31, 2012

All amounts in Indian Rupees

Particulars	Notes	March 31, 2012	March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	67,300,000	67,300,000
(b) Reserves and Surplus	2	41,301,405	31,582,709
Non-Current Liabilities			
(a) Long Term Borrowing	3	98,668,293	115,898,793
(b) Deferred tax Liabilities (net)	4	38,723	1,196
Current Liabilities			
(a) Short Term Borrowing	5	10,880,566	-
(b) Trade Payables		302,479,031	307,196,175
(c) Other Current Liabilities	6	6,825,517	7,627,783
(d) Provision	7	2,475,000	750
TOTAL EQUITY AND LIABILITIES		529,968,534	529,607,406
ASSETS			
Non Current Assets			
(a) Fixed Assets			
i. Tangible Assets	8	3,390,597	2,534,913
ii. Capital Work-in-Progress		-	64,039
iii. Build Operate & Transfer Project Expenditure		518,891,099	513,507,774
(b) Long Term Loans and Advances	9	807,046	304,000
(c) Other Non Current Assets	10	534,286	690,666
Current Assets			
(a) Cash and Cash Equivalents	11	6,268,925	12,411,342
(b) Short Term Loans and Advances	12	76,581	94,671
TOTAL ASSETS		529,968,534	529,607,406

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR RAJU SHAH PATEL KOTADIA & SONS

Chartered Accountants

Firm Registration No.: 120242W


Raju C. Shah

Partner

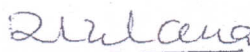
Membership No. 1099024

Date: 25-05-2012

Place: Ahmedabad

For and on behalf of the Board of Directors

MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LTD



Director

Director

Date: 25-05-2012

MSK Projects (Kim Mandvi Corridor) Private Ltd
Profit and Loss statement for the year ended 31st March, 2012

All amounts in Indian Rupees

Particulars		Notes	March 31, 2012	March 31, 2011
I.	Revenue from Operations	13	44,135,814	21,787,788
II.	Other Income		63,747	-
III.	Total Revenue (I +II)		44,199,561	21,787,788
IV.	<u>Expenses:</u>			
	Employee Benefit Expense	14	4,117,438	2,660,567
	Financial Costs	15	13,321,427	6,879,833
	Depreciation and Amortization Expense	16	10,612,356	11,146,214
	Other Expenses	17	3,917,868	1,166,519
	Total Expenses		31,969,089	21,853,133
V.	Profit before tax (III - IV)		12,230,472	(65,345)
VI.	Tax expense:			
	(1) Current tax		2,475,000	750
	(2) Excess provision of earlier year		(750)	-
	(3) Deferred tax		37,527	1,196
VII.	Profit/(Loss) for the period (V-VI)		9,718,695	(67,291)
VIII.	Net Profit/(Loss) Carried to B/Sheet		9,718,695	(67,291)
IX.	Earning per equity share:			
	(1) Basic		1.44	(0.01)
	(2) Diluted		1.44	(0.01)

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR RAJU SHAH PATEL KOTADIA & SONS

Chartered Accountants

Firm Registration No.: 12024/W

Raju C. Shah

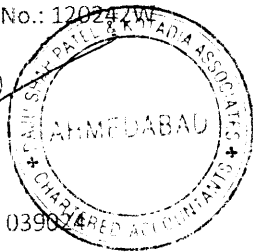
Raju C. Shah

Partner

Membership No.: 039624

Date: 25-05-2012

PLACE. Ahmedabad



For and on behalf of the Board of Directors
MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LTD

Rajalena

Director

Director

Date: 25-05-2012

MSK Projects (Kim Mandvi Corridor) Private Ltd

B NOTES TO ACCOUNTS

1 Share Capital

	March 31, 2012	March 31, 2011
	Amount	Amount
Authorised: 10,000,000 (Previous year 67,30,000) equity Shares Of Rs.10/- Each	100,000,000	67,300,000
Issued, subscribed and fully paid up: 67,30,000 (Previous Year 67,30,000) equity Shares of Rs. 10/- Each Fully Paid up	67,300,000	67,300,000
Total Issued, subscribed and fully paid up Share Capital	67,300,000	67,300,000

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	6,730,000	67,300,000	6,730,000	67,300,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	6,730,000	67,300,000	6,730,000	67,300,000

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

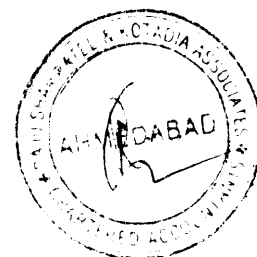
	March 31, 2012	March 31, 2011
	Amount	Amount
Welspun Project Limited 67,30,000 (Previous Year 67,30,000) equity Shares of Rs. 10/- Each Fully Paid up	67,300,000	67,300,000

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	6,730,000	100%	6,730,000	100%

2 Reserves and Surplus

	March 31, 2012	March 31, 2011
	Amount	Amount
Capital Reserves		
Subsidy received from Gujarat State Road Development Corporation against the Build, Operate and Transfer Project of Kim Mandvi Projects	31,650,000	31,650,000
Profit and Loss account		
Balance As per Last financial statements	(67,291)	
Add: Net surplus in the statement of profit and loss	9,718,695	(67,291)
Total Reserves and Surplus	41,301,405	31,582,709



MSK Projects (Kim Mandvi Corridor) 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	88,668,293	95,546,263	6,510,682	7,044,522
	88,668,293	95,546,263	6,510,682	7,044,522
The above amount includes				
Secure borrowing	88,668,293	95,546,263	6,510,682	7,044,522
Amount disclosed under the head "other current liabilities (note no 6)			(6,510,682)	(7,044,522)
<u>Unsecured</u>				
Welspun PROJECTS (INDIA) LTD. ADVANCE	10,000,000	20,352,530.19		
Total Long Term Borrowing	98,668,293	115,898,793	-	-

Security Details

- i First Charge over on the assignment of project rights/movable / im-movable property/intangible assets / uncalled capital of the borrower for the respective projects and on assignment of all the receivable / revenue of the projects.
- ii First charge on Company's bank accounts from the Kim Mandvi projects including the Trust and Retention account / Escrow Account and Debt Service Reserve Account /Maintenance Reserve Account or such other account to be opened as directed by the bank.
- iii First Charge / Assignment Security Interest on the Company's right under the concession Agreement, Project documents, Contracts and All licences permits, approvals, Consents, and insurance policies in respect of the Kim Mandvi Projects)
- iv Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Kim Mandvi Projects noting the interest of the lenders.
- v 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 Kim Mandvi Projects.

4 Deferred Tax Liabilities (Assets)

	March 31, 2012	March 31, 2011
	Amount	Amount
Depreciation	99,452	123,480
Accumulated losses	(95,112)	(122,285)
Bonus Payable	34,383	
Total Deferred Tax (net)	38,723	1,196

5 Short term Borrowing

	March 31, 2012	March 31, 2011
	Amount	Amount
<u>Unsecured</u>		
Welspun PROJECTS (INDIA) LTD. ADVANCE	10,880,566	
Total Short Term Borrowing	10,880,566	



MSK Projects (Kim Mandvi Corridor) Private Ltd

6 Trade Payable & Other Current Liabilities

	March 31, 2012	March 31, 2011
	Amount	Amount
Trade Payables:		
Dues to holding company	300,284,950	304,875,549
Others	2,194,081	2,320,626
Other Current Liabilities		
-Current maturity of long term borrowing (note 3)	6,510,682	7,044,522
Others		
-TDS Payable	314,835	583,261
Total Other Current Liabilities	309,304,548	314,823,958

7 Provisions

	March 31, 2012	March 31, 2011
	Amount	Amount
Provision for Taxation	2,475,000	750
	2,475,000	750

9 Long Term Loans and Advances

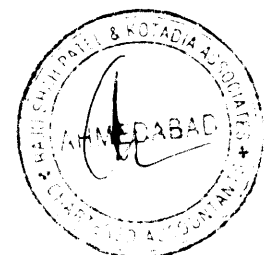
	March 31, 2012	March 31, 2011
	Amount	Amount
Security deposits		
Unsecured, considered good	21,500	21,500
Advances for Capital Purchases	785,546	282,500
Total Long Term Loans and Advances	807,046	304,000

10 Other Non Current Assets

	March 31, 2012	March 31, 2011
	Amount	Amount
Unamortised expenditure		
Balance As per Last financial statements	690,666	781,899
Less Written off During the year	156,380	91,233
Total Other Non Current Assets	534,286	690,666

11 Cash and Cash Equivalents

	March 31, 2012	March 31, 2011
	Amount	Amount
Balances with banks:		
- On current accounts	5,827,582	12,133,662
Cash on hand	441,343	277,680
Total Cash and Cash Equivalents	6,268,925	12,411,342



MSK Projects (Kim Mandvi Corridor) Private Ltd

12 Short Term Loans and Advances

	March 31, 2012	March 31, 2011
	Amount	Amount
Advance recoverable in cash or kind		
Unsecured, considered good	43,477	89,460
(A)	43,477	89,460
Other Loans and advances		
Unsecured, considered good	33,104	5,211
(B)	33,104	5,211
Total Short Term Loans and Advances (A+B)	76,581	94,671

13 Revenue

	March 31, 2012	March 31, 2011
	Amount	Amount
Toll Collection		
- Karanj Toll	13,746,284	6,937,934
- Tarkeshwar Toll	30,389,530	14,849,854
Total Revenue	44,135,814	21,787,788

14 Employee benefit expense

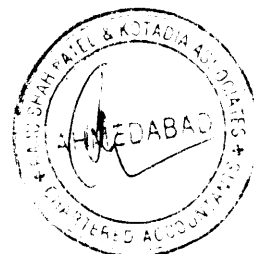
	March 31, 2012	March 31, 2011
	Amount	Amount
House Rent	63,200	40,300
Mess Expense	167,593	443,753
Medical Expense	16,102	28,557
Salary	3,320,166	1,871,434
Bonus	227,154	154,961
Staff Welfare Expense	323,223	121,562
Total Employee benefit expenses	4,117,438	2,660,567

15 Financial costs

	March 31, 2012	March 31, 2011
	Amount	Amount
Bank Charge	38,411	93,990
Interest on Term Loan	13,271,736	6,785,843
Other Interest	11,280	
Total Financial Cost	13,321,427	6,879,833

16 Depreciation & Amortisation Expense

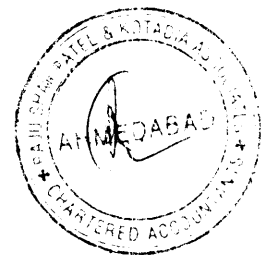
	March 31, 2012	March 31, 2011
	Amount	Amount
Depreciation	621,653	352,422
Amortisation Expense	9,834,323	10,702,559
Preliminary Expense Written Off	156,380	91,233
Total Depreciation & Amortisation Expense	10,612,356	11,146,214



MSK Projects (Kim Mandvi Corridor) Private Ltd

18 Other Expenses

	March 31, 2012	March 31, 2011
	Amount	Amount
Computer Expense	32,744	9,183
Conveyance Expense	70,905	24,733
Consultancy Charge	27,536	130,030
Independent Consultancy	-	226,771
General Expense	182,548	177,938
Post & Telegram Expense	9,037	1,516
Printing & Stationary Expense	311,378	53,533
Telephone Expense	24,169	18,381
Donation Exp	-	101
ROC Expense	9,050	
Insurance	93,671	
Concession Fees	1	7
Security Charge	10,000	
Lease Fees	1	7
Travelling exp	53,733	38,979
Advertisement Expenses	-	29,400
D-Mate Charges	-	22,060
Share Issue expense	327,000	
Audit fees	100,000	101,476
Repairs & Maintenance	2,666,095	332,404
Total Other Expenses	3,917,868	1,166,519



MSK PROJECTS (KIM MAND '1 CORRIDOR) PVT LTD

Note No. 8

SR	FIXED - ASSETS	GROSS BLOCK				DEPRECIATION		NET BLOCK		
		AS ON 01/04/2011	ADDITION	DEDUCTION	AS ON 31/03/2012	AS ON 01/7/2011	ADDITION	DEDUCTION	AS ON 31/03/2012	AS ON 31/03/2011
TANGIBLE ASSETS:										
1	Land	1,612,755	-	-	1,612,755	-	-	-	1,612,755	1,612,755
2	Computers	1,208,594	86,000	-	1,294,594	-	372,911	-	574,169	861,080
3	Office Equipments	43,886	1,267,465	-	1,311,351	-	238,518	-	1,070,549	41,602
4	Furniture & Fixtures	22,100	27,300	-	49,400	-	5,341	-	41,435	19,476
5	Vehicles	-	96,572	-	96,572	-	4,883	-	91,689	-
6	Capital Work in Progress	64,039	-	64,039	-	-	-	-	-	64,039
	TOTAL - (i)	2,951,374	1,477,337	64,039	4,364,672	64,039	621,653	-	974,075	2,598,952
BUILD, OPERATE & TRANSFER PROJECT EXPENDITURE:										
1	Project Road - Build Operate and Transfer Project Expense *	524,210,333	15,217,648	-	539,427,981	-	9,834,323	-	20,536,882	513,507,774
	TOTAL - (ii)	524,210,333	15,217,648	-	539,427,981	-	9,834,323	-	20,536,882	513,507,774
		527,161,707	16,694,985	64,039	543,792,653	64,039	10,455,976	-	21,510,957	516,106,726
	Previous Year	407,939,168	119,222,540	-	527,161,708	-	11,054,981	-	11,054,981	516,106,727

* Project Road 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 encompass the construction, operation and maintenance of the highway on a Build, Operate, Transfer basis. The construction was completed in August 2010. The concession for the company is valid till February, 2026.



MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED

A). SIGNIFICANT ACCOUNTING POLICIES:-

A-1. REVENUE RECOGNITION:

- a. The accounts have been prepared under historical cost convention adopting the accrual basis.
- b. All revenues and expenses are accounted on accrual basis.

Income from Toll Contracts

Toll revenue from operation are accounted on accrual basis.

Interest Income

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

A-2. EXPENDITURE IN RESPECT OF BUILD, OPERATE & TRANSFER (B.O.T.) PROJECTS:

One time significant expenditure incurred on Build, Operate & Transfer Project (BOT Project) which does not present Company's own assets is classified as BOT Project Expenditure and is amortized / written off over the concession period as per Agreement with Gujarat State Road Development Corporation Limited

B). FIXED ASSETS:

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

All direct expenditure attributable to fixed assets are capitalized.

C). DEPRECIATION & AMORTISATION:

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 of Road – 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.

D). 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.



MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED

E). PROVISION FOR CURRENT & DEFERRED TAX:

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

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

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.

F). OTHER NOTES:

1). Build, Operate & Transfer (BOT) Projects:

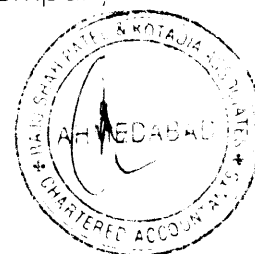
The Company obtained Build, Operate & Transfer (BOT) Contract from Gujarat State Road Development Corporation for Construction of Strengthening, Widening and maintenance of Kim Mandvi Projects. In terms of the Contract the Company has been entitled to collect the toll during the concession period of 20 years, including period of the construction i.e. up to February 2026.

The Company has completed the construction of the project in the earlier year. Having regards to the accounting policies followed by the Company the entire expenditure incurred is treated as BOT Projects expenditure and proportionate amount of Rs, 98,34,323/- (Previous year Rs.1,07,02,559) has been written off / amortized during the year after considering the Subsidy amount received / receivable from the Gujarat State Road Development Corporation.

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). 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.

4). There are no dues to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31st 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.



MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED

5). Transaction with related parties during the year ended 31st March 2012.

- Holding Company:
Welspun Projects Limited
- Key Management Person:
Ram Krishna Telang (Director)
H.M. Karna (Director)

Sr	Particulars	Holding Company		Key Management Person	
		31-3-12	31-3-11	31-3-12	31-3-11
1.	Construction Expenses	15,217,648	110,649,670	-	-
2.	Loan received	8,566,246	22,511,577	-	-
3.	Repayment of loan received	8,038,211	4,788,101	-	-
4.	Payable at the end of the year	321,165,516	325,228,079	-	-
5.	Receivable at the end of the year	-	-	-	-

6). Earning Per Share:

Particulars	2011-12	2010-11
Net Profit after Tax available for Equity share holders	9,718,695	(67291)
Weighted average number of equity shares of Rs.10/- each out standing during the year	6,730,000	6,730,000
Basic & diluted Earning Per Share (Rs.)	1.44	(0.01)

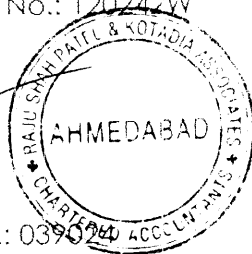
7). ~~Previous Year figures are regrouped, rearranged or recast wherever considered necessary.~~

As per our report of even date

For Raju Shah Patel & Kotadia Associates
Chartered Accountants
Firm Registration No.: 120242W

For and on behalf of the Board of Directors
MSK PROJECTS (KIM MANDVI CORRIDOR) P LTD


Raju C. Shah
Partner
Membership No.: 039624




Director

Director

Date: 25/11/2012
Place: Ahmedabad