

**MSK PROJECTS HIMMATNAGAR BYPASS (P) LTD**

**BALANCE – SHEET**

**AS AT**

**31<sup>ST</sup> MARCH 2014**

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., C.S.

### AUDITORS' REPORT

TO

THE MEMBERS OF

MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED**, which comprises the balance sheet as on March 31, 2014, the statement of Profit and Loss Account and Cash Flow Statement for the year then ended, and a summary of significant policies and other explanatory information.

**Management's Responsibility for the financial Statement**

Management is responsible for the preparation of financial statement that give true and fair view of the financial position, financial performance and cash flows of the company in accordance with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry Of Corporate Affairs in respect of section 133 of the companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or

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Head Office : Ahmedabad (Guj.) Branches in Gujarat : Gandhinagar, 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

error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

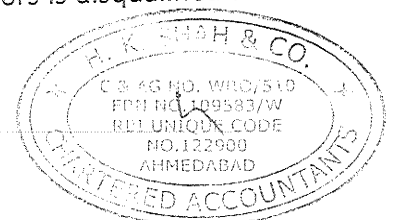
### Opinion

In our opinion and to the best of our information and according to the explanation given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view with the conformity of generally accepted accounting principles in India:

- a. In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") is issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, 1956 and sub-section (11) of section 143 of Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations to 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 appears from our examination of those books;
  - c. In our opinion, the balance sheet, statement of Profit and loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the balance sheet, statement of Profit and loss account and Cash Flow Statement comply with the Accounting standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013.
  - e. On the basis of written representations received from directors, as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,



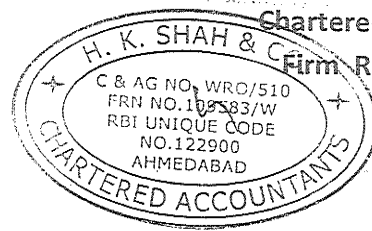
2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 and Sub-section (2) of section 164 Companies Act, 2013.

- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: Ahmedabad

For H.K.Shah & Co.,

Date:20/05/2014



Chartered Accountants

Firm Regn. No.109583/W

*H. K. Shah*

CA H.K.Shah

(Partner)

M.No.042758

CA M. Shah 99241 12785  
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## H. K. Shah & Co. Chartered Accountants

CA J. G. Vaidya 99099 19785  
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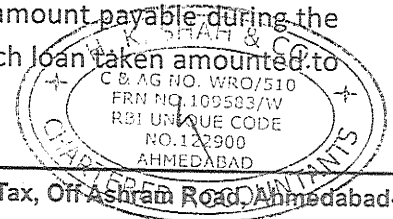
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### ANNEXURE TO THE AUDITOR'S REPORT

With the reference to the annexure referred to in paragraph 1 of our report of even date, to the members of MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED on the accounts for the year ended on March 31, 2014 we report that:

- i.
  - a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. We have informed that, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company and nature of the company and nature of its assets. Discrepancies noticed on such verification have been properly dealt with books of account.
  - c. The Company has not disposed off any substantial part of its fixed assets during the year so as to affect going concern status.
- ii. The Company is engaged in the business of infrastructure development and its maintenance and hence the clauses 4(ii) (a), (b) and (C) of the Companies (Auditor's Report) order, 2003 relating to inventory are not applicable.
- iii. (a) The Company has granted interest free loan to a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs.23,68,650/- and the year-end balance of such loan amounted to Rs. 23,68,650.  
  
(b) In our opinion, terms & conditions on which the loan has been generated to the body corporate listed in the register maintained under section 301 of the act was not prima facie, prejudicial to the interest of the company.  
  
(c) The Company has taken loans, unsecured from company, covered in the Register maintained under Section 301 of the Act. The maximum amount payable during the year was Rs.1,47,57,309/- and the year-end balance of such loan taken amounted to Rs. 2,63,929/-.

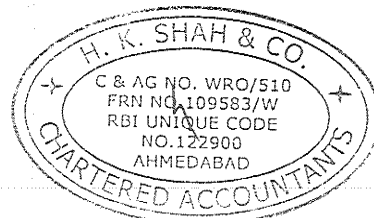


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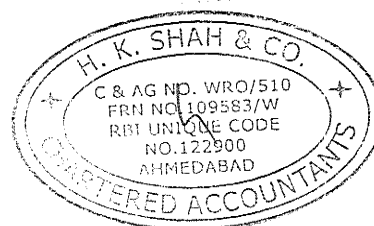
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- iv. In our opinion and according to the information and explanations given to us, the company has adequate internal control procedure commensurate with the size of the company and the nature of its business of construction of Road under B.O.T. Scheme and toll collection.
- v. (a) To the best of our knowledge and belief, and according to the information and explanation given to us, transaction that needed to be entered in to the register maintained U/s 301 of the companies Act ,1956 has been so entered.
- (b) In our opinion and according to the information and explanation given to us, transactions made in pursuance of contract or agreement entered in to the register maintained U/s 301 of the companies Act ,1956 and exceeding the value of Rs. Five lacs in the 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.
- vi. During the year company has not accepted deposits from public within the meaning of Section 58-A, of the Companies Act, 1956.
- vii. Company has internal controls system which can be improved looking to the size & nature of its business. There is no internal auditor appointed by the company during the year.
- viii. The Company engaged in the service activity and we were informed that maintenance of cost records under section 209(1)(d) of the companies Act ,1956 is not applicable to the company.
- ix. (a) According to the information and explanation given to us, the company is regular in depositing undisputed statutory dues including provident Fund, Investor Education and protection Fund, Income Tax, Seles Tax, Service Tax, Custom Duty, Excise Duty and any other statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanation given to us, there were no arrears of outstanding statutory dues as at 31 March 2014 for the period of more then six months from the date they become payable.



- (c) According to the information and explanation given to us there are a disputed service tax liability of Rs. 68.77 lacs, with the commissioner service tax & central excise , Vadodara.
- x. The company has no accumulated losses and has not incurred cash losses in current financial year and in the immediate preceding financial year.
- xi. The Company has not defaulted in repayment of dues to any Financial Institute or Bank.
- xii. The company has not granted loan and advance on the basis of security by way of pledge of share, Debenture or other securities.
- xiii. The Provisions of the special statute applicable to the chit fund /nidhi/mutual benefit fund/Societies are not applicable to the company.
- xiv. In our opinion and according to the information and explanation given to us, through the company is not dealing or trading in shares, Securities, debentures and other investments, it parks surplus funds in approved mutual fund investments & Fixed deposits. In our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments have been held by the company in its own name.
- xv. In our opinion and according to the information and explanation given to us, company has not given any guarantee for loan taken by others from bank or financial institution.
- xvi. In our opinion and according to the information and explanation given to us, on an overall basis, the term loans have been applied for the purposes for which they were raised.
- xvii. 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 Investments & Vice Versa.



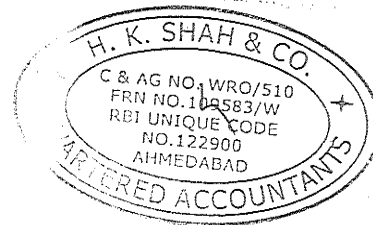
- xviii. In our opinion and according to the information and explanation given to us, the company has not allotted equity on preferential share allotment of share of parties and companies during the year.
- xix. Since the company does not have any debenture, the question of creation of securities for debenture does not arise.
- xx. The Company has not raised any money by public issue during the period, this clause is not applicable.
- xxi. In our opinion and according to the information and explanation given to us, no fraud on or by the company was noticed or reported during the year.

Place: Ahmedabad

Date:20/05/2014

For H.K .Shah & Co.,

Chartered Accountants  
Firm Regn. No.109583/W



*H. K. Shah*  
CA H.K.Shah  
(Partner)  
M.No.042758



## MSK Projects (HIMMATNAGAR BY PASS) PRIVATE LIMITED

### A) SIGNIFICANT ACCOUNTING POLICIES:

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

### 2) CASH FLOW STATEMENT:

The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements".

Cash Flow Statement is prepared segregating the cash flows from operating, investing & financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- i. Transactions of non-cash nature.
- ii. Any deferrals or accruals of past or future operating cash receipts or payments and
- iii. Items of income or expenses associated with investing or financing cash flows. Cash and Cash equivalents (including bank balances) are reflected as such in the cash flow statement.

Those cash and Cash equivalents which are not available for general use as on the date of balance sheet is also included under this category with a specific disclosure.

### 3) CASH AND BANK BALANCES:

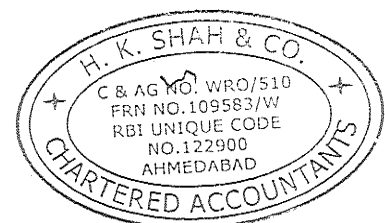
Cash and bank balances also include fixed deposits and earmarked balances with banks.

### 4). EXTRAORDINARY & EXCEPTIONAL ITEMS :

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements, if any. Similarly, any external event beyond the control of the company, significantly impacting income or expenses, is also.

### 5). REVENUE RECOGNITION:

All revenues and expenses are accounted on accrual basis.



## MSK Projects (HIMMATNAGAR BY PASS) PRIVATE LIMITED

### 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.

### 6). **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 cost 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 highway on a Build, Operate, 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.

### 7). **DEPRECIATION AND AMORTISATION:**

#### DEPRECIATION:

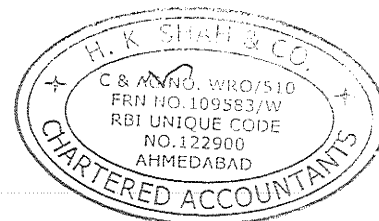
Depreciation on assets is provided on written down value basis as per the rates and method prescribed under schedule-XIV of the companies Act 1956.

#### AMORTISATION:

BOT Project Expenditure is amortized/ written off over the concession period on the basis of written down value at the rate of 25%.

### 8). **BORROWING COST:**

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



**MSK Projects (HIMMATNAGAR BY PASS) PRIVATE LIMITED**

9). **INCOME TAXES:**

Tax expenses comprise of current and deferred tax. Provision for current tax is made on the basis of taxable income for the current accounting year and in accordance with provision 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 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.

10). **LEASE**

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the profit & loss Account on accrual basis.

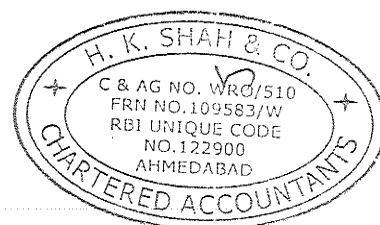
11). **IMPAIRMENT OF ASSETS:**

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a) The provision for impairment loss, if any ; and
- b) The reversal of Impairment loss recognized in previous periods, if any.  
Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- a) In the case of individual asset, at the higher of the net selling price and the value in use;
- b) In the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.



## MSK Projects (HIMMATNAGAR BY PASS) PRIVATE LIMITED

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

### 7) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

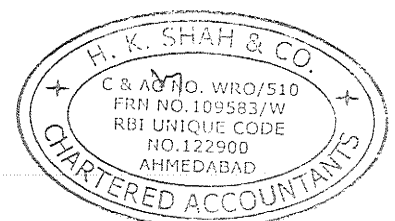
- a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
  - i. The company has a present obligation as a result of a past event.
  - ii. A probable outflow of resources is expected to settle the obligation, and
  - iii. The amount of the obligation can be reliably estimated.
- b) Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.
- c) Contingent Liability is disclosed in the case of
  - i. A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligations.
  - ii. A present obligation when no reliable estimate is possible, and
  - iii. A possible obligation arising from past events where the probability of outflow of resources is not remote.
- d) Contingent Assets are neither recognized nor disclosed.
- e) Provisions, Contingent Liabilities and contingent Assets are reviewed at each balance sheet date.

### 8) 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



## MSK Projects (HIMMATNAGAR BY PASS) PRIVATE LIMITED

treated as BOT Project expenditure and proportionate amount of Rs. 1,08,06,105/- 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:

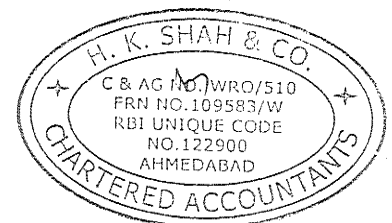
Guarantee has been issued by the company's bankers on behalf of the company amounting to Rs. 10 Lacs (Previous year Rs. 10 Lacs) in favour of Gujarat State Road Development Corporation, Gandhi Nagar.

Service tax Demand raised by the Commissioner, Office of the Service Tax and Excise Department Vadodara for Rs. 68.77 Lacs.

4. Under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act") which came into force effective from 2nd October, 2006, certain disclosures relating to amounts due to micro, small and medium enterprises and remained unpaid after the appointed date etc. of principal and interest amounts are required to be made. The Company is in the process of compiling the relevant information. As the relevant information is not yet readily available and / or not given or confirmed by such enterprises, it is not possible to give required information in the accounts. However, in view of the management, the impact of interest, if any, which may subsequently become payable to such enterprise in accordance with the provisions of the Act, would not be material and the same, if any, would be disclosed in the year of payment of interest.

In the absence of the necessary information with the Company relating to the registration status of the suppliers under the Micro, Small and Medium Enterprises Development Act' 2006, the information required under the said Act could not be compiled and disclosed.

5. 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 the business. The Provisions for all known liabilities is adequate and not in excess of the amount reasonably necessary.
6. There is no such provision for the Gratuity, Leave Encashment and other retirement benefits because none of the employees are eligible for the same.



**MSK Projects (HIMMATNAGAR BY PASS) PRIVATE LIMITED**

**7. Transactions with Related Parties**

A) Name & relationship with the related parties:

Holding Company	Welspun Projects Limited
Fellow Subsidiary Company	MSK Projects(Kim Mandvi Corridor) Pvt. Ltd.

B) Key Management Personnel:

1. Sandeep Garg
2. Banwari Lal Biyani

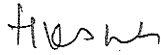
Sr. No.	Particulars	Holding Company		Fellow Subsidiary Company	
		31/3/2014	31/3/2013	31/3/2014	31/3/2013
1	Road Maintenance Expenses	120.00	120.00	-	-
2	Loan Received	-	143.11	-	-
3	Repayment of loan received	111.97	121.14	-	-
4	Loan Given	234.86	-	-	-
5	Repayment of Loan given	279.65	-	-	-
6	Recoverable expenses Incurred	-	-	-	44.95
7	Recoverable Expenses Received	-	-	-	21.26
8	Payable at end of the year	2.64	69.17	-	-
9	Receivable at the end of year	-	-	23.68	23.68

8) Earnings Per Share:

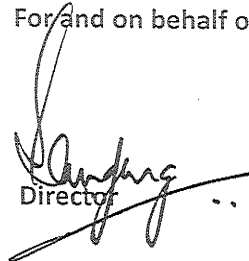
Particulars	2013-14	2012-13
Net Profit after tax available for equity share holder	1136828	3121657
Weighted average numbers of equity shares of Rs.10/- each fully paid up outstanding during the year	242000	242000
Basis and diluted Earning per share (Rs.)	4.70	12.90


9) Previous year's figures are regrouped, rearranged or recast whenever considered necessary.

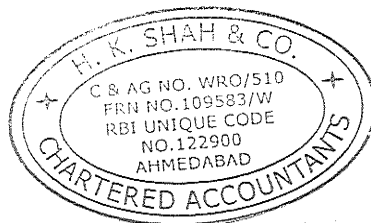
As our report of even date  
**For H.K.Shah & Company**  
 Chartered Accountants  
 Firm Regn. No.: 109583/W

  
**H.K. Shah**  
 Membership No.042758  
 Place : Vadodara  
 Date : 20-5-2014

For and on behalf of the board of Directors

  
 Director

  
 Director



MSK Projects (Himmatnagar Bypass) Private Ltd  
Cash Flow Statement for the period yended March 31, 2014

	March 31, 2014	March 31, 2013
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before taxation	1,404,828	3,856,517
<u>Add adjustment for non cash items:</u>		
Depreciation and amortisation	10,934,969	5,757,838
Financial Expenses including Interest	827,963	2,043,492
Preliminary expenses written off	-	-
<b>Operating Profit before Working Capital changes</b>	<b>13,167,759</b>	<b>11,657,847</b>
<u>Working Capital Adjustments for :</u>		
Increase/ (decrease) in other current liabilities	(15,928,361)	4,208,738
Decrease / (increase) in long-term loans and advances	-	5,770,743
Decrease / (increase) in short-term loans and advances	25,687	(2,067,471)
Increase/ (decrease) in Other Current Assets	(509,965)	688,549
Cash generated from /(used in) operations	(16,412,639)	8,600,559
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(3,244,880)</b>	<b>20,258,406</b>
Income tax Paid	(505,793)	(2,028,976)
<b>Net Cash inflow from/ (outflow) from Operating activities</b>	<b>(3,750,673)</b>	<b>18,229,430</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(67,872)	(295,734)
<b>Net Cash inflow from/ (outflow) from Investing activities</b>	<b>(67,872)</b>	<b>(295,734)</b>
<b>C. Cash Flow from Financing Activities</b>		
Repayment of borrowings (incl. inter company)	-	(10,676,612)
Financial Expenses including Interest	(827,963)	(2,043,492)
<b>Net Cash inflow from/ (outflow) from Financing activities</b>	<b>(827,963)</b>	<b>(12,720,104)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(4,646,508)</b>	<b>5,213,592</b>
<b>Opening Cash and Cash Equivalents</b>	<b>10,217,563</b>	<b>5,003,971</b>
<b>Closing Cash and Cash Equivalents</b>	<b>5,571,055</b>	<b>10,217,563</b>
<b>Closing Cash and Cash Equivalents includes :</b>		
Cash in hand	3,849,200	3,714,274
Balance with banks	1,721,855	6,503,289
	<b>5,571,055</b>	<b>10,217,563</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.: 109583W

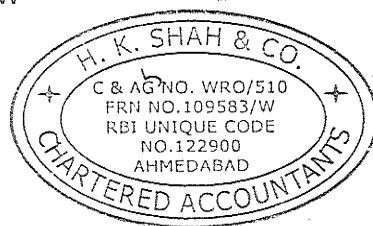
H.K. Shah

Partner

Membership No.: 042758

Date: 20/05/2014

Place: Ahmedabad



For and on behalf of the Board of Directors

*[Signature]*  
Director

*[Signature]*  
Director

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

Balance Sheet as at March 31, 2014

Particulars	Notes	March 31, 2014	March 31, 2013
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	2,420,000	2,420,000
(b) Reserves and Surplus	2	38,280,257	37,143,429
<b>Current Liabilities</b>			
(b) Other Current Liabilities	3	638,871	16,567,232
(c) Provision	4	504,266	742,059
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,843,394</b>	<b>56,872,721</b>
<b><u>ASSETS</u></b>			
<b>Non Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	5	587,813	648,805
(ii) Build. Operate Transfer Project Expenditure	5	32,418,317	43,224,423
(b) Deferred tax Assets (net)	6	13,466	13,466
<b>Current Assets</b>			
(a) Cash and Cash Equivalents	7	5,571,055	10,217,563
(b) Short Term Loans and Advances	8	2,399,923	2,425,610
(c) Other Current Assets	9	852,820	342,855
<b>TOTAL ASSETS</b>		<b>41,843,394</b>	<b>56,872,721</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.: 109583W

*H.K. Shah*

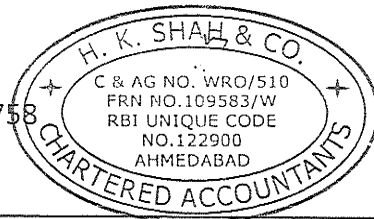
**H.K. Shah**

Partner

Membership No.: 042758

Date: 20-05-2014

Place: Ahmedabad



**For & 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 31 March 2014**

Particulars		Notes	March 31, 2014	March 31, 2013
I.	Revenue from operations	10	29,246,330	26,428,231
II.	Other Income	11	188,704	165,355
III.	Total Revenue (I +II)		29,435,034	26,593,586
IV.	<b>Expenses:</b>			
	Employee benefit expense	12	1,400,771	1,989,118
	Financial costs	13	827,963	2,043,492
	Depreciation and amortization expense	14	10,934,969	5,757,838
	Repairs and maintenance expenses	15	14,026,870	12,365,798
	Other expenses	16	839,634	580,823
	Total Expenses		28,030,207	22,737,069
V.	Profit before tax (III - IV)		1,404,828	3,856,517
VI.	Tax expense:			
	(1) Current tax		268,000	734,859
	(2) Deferred tax		-	-
VII.	Profit/(Loss) for the period (V -VI)		1,136,828	3,121,657
VIII.	Earning per equity share:			
	(1) Basic		4.70	12.90
	(2) Diluted		4.70	12.90

**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.: 109583W

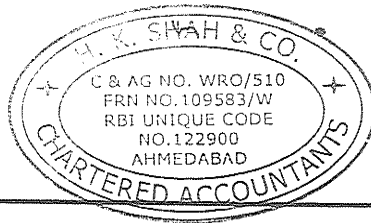
*H.K. Shah*  
H.K. Shah

Partner

Membership No.: 042758

Date: 10-05-2014

Place: Ahmedabad



**For & 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, 2014	March 31, 2013
	Amount	Amount
Authorised:		
2,50,000 Previous Year (2,50,000) EQUITY SHARES OF Rs.10/- EACH	2,500,000	2,500,000
Issued, subscribed and fully paid up:		
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, 2014		March 31, 2013	
	No.	Amount	No.	No.
At the begining 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

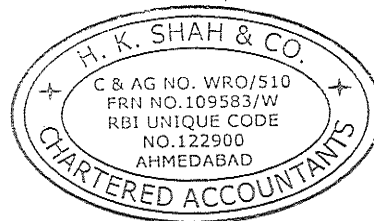
	March 31, 2014	March 31, 2013
	Amount	Amount
Welspun Project Limited	2,420,000	2,420,000
2,42,000 Previous Year (2,42,000) EQUITY SHARES OF RS. 10/- each Fully Paid up		

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

	March 31, 2014		March 31, 2013	March 31, 2013
	No.	% Holding	No.	No.
Welspun Project Limited	242,000	100%	242,000	100%

### 2 Reserves and Surplus

	March 31, 2014	March 31, 2013
	Amount	Amount
Securities Premium	20,880,000	20,880,000
<u>Profit and Loss account</u>		
Balance As per Last financial statements	16,263,429	13,141,772
Add: Profit for the year	1,136,828	3,121,657
Net surplus in the statement of profit and loss	17,400,257	16,263,429
<b>Total Reserves and Surplus</b>	<b>38,280,257</b>	<b>37,143,429</b>



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

**3 Other Current Liabilities**

	31-Mar-14	March 31, 2013
	Amount	Amount
Trade Payables:		
Due to related parties	263,929	6,970,511
Others	321,957	248,173
Other Liabilities :		
-Current maturity of long term borrowing (note 3)	-	9,099,324
Others		
-TDS Payable/Other Statutory Dues	52,985	249,224
<b>Total Other Current Liabilities</b>	<b>638,871</b>	<b>16,567,232</b>

**4 Provisions**

	31-Mar-14	March 31, 2013
	Amount	Amount
Provision for Taxation	504,266	742,059
<b>Total Provision</b>	<b>504,266</b>	<b>742,059</b>

**6 Deferred Tax Assets (net)**

	31-Mar-14	March 31, 2013
	Amount	Amount
Depreciation	13,466	13,466
<b>Total Deferred Tax Assets (net)</b>	<b>13,466</b>	<b>13,466</b>

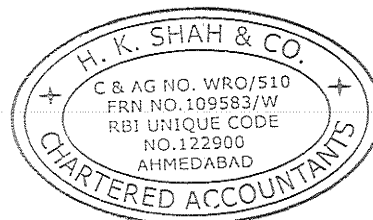
**7 Cash and Cash Equivalents**

	31-Mar-14	March 31, 2013
	Amount	Amount
Balances with banks:		
- On current accounts *	708,933	5,503,037
- others	1,012,922	1,000,252
	<b>1,721,855</b>	<b>6,503,289</b>
Cash on hand	3,849,200	3,714,274
<b>Total Cash and Cash Equivalents</b>	<b>5,571,055</b>	<b>10,217,563</b>

\* previous year balance Includes Six (6) Months Principle & Interest repayment in debt service reserve account maintained in the escrow account with State Bank of India, Indore.

**8 Short Term Loans and Advances**

	31-Mar-14	March 31, 2013
	Amount	Amount
Advance recoverable in cash or kind		
Unsecured, considered good	31,273	22,285
(A)	31,273	22,285
Loans and advances to related parties		
Unsecured, considered good	2,368,650	2,368,650
(B)	2,368,650	2,368,650
Other Loans and advances		
Unsecured, considered good	-	34,675
(C)	-	34,675
<b>Total Short Term Loans and Advances (A+B+C)</b>	<b>2,399,923</b>	<b>2,425,610</b>



# MSK Projects (Himmatnagar Bypass) Private Ltd

## 9 Other Current Assets

	31-Mar-14	March 31, 2013
	Amount	Amount
Interest Accrued but not dues	81,583	81,583
Tax Deducted/Advance Tax	771,237	261,272
<b>Total Other Current Assets</b>	<b>852,820</b>	<b>342,855</b>

## 10 Revenue

	31-Mar-14	March 31, 2013
	Amount	Amount
Toll Collection	29,246,330	26,428,231
<b>Total Revenue</b>	<b>29,246,330</b>	<b>26,428,231</b>

## 11 Other Income

	31-Mar-14	March 31, 2013
	Amount	Amount
Interest on fixed Deposits	22,635	82,391
Dividend Income	166,069	82,964
<b>Total Revenue</b>	<b>188,704</b>	<b>165,355</b>

## 12 Employee benefit expense

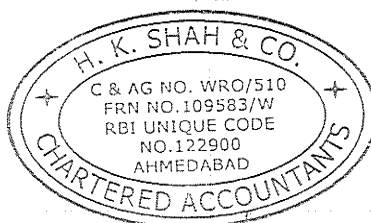
	31-Mar-14	March 31, 2013
	Amount	Amount
Bonus	14,476	40,247
House Rent	60,000	42,500
Medical Expense	532	906
PF Employer Contribution	110,216	-
Salary	1,084,949	1,795,474
Staff Welfare Expense	130,598	109,991
<b>Total Employee benefit expenses</b>	<b>1,400,771</b>	<b>1,989,118</b>

## 13 Financial costs

	31-Mar-14	March 31, 2013
	Amount	Amount
Bank Charge	67,120	22,795
Commission on Bank Guarantee	62,576	42,018
Interest on Loan	686,868	1,884,831
Other Interest	11,399	93,848
<b>Total Financial Cost</b>	<b>827,963</b>	<b>2,043,492</b>

## 14 Depreciation & Amortisation

	31-Mar-14	March 31, 2013
	Amount	Amount
Depreciation	128,864	78,891
Amortisation on Build, Operate & Transfer project Expense	10,806,105	5,678,947
<b>Total Depreciation and Amortisation</b>	<b>10,934,969</b>	<b>5,757,838</b>



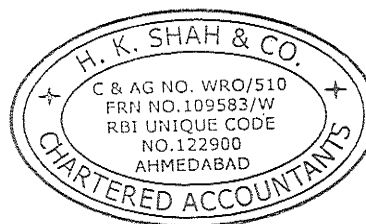
MSK Projects (Himmatnagar Bypass) Private Ltd

15 Repairs and Maintenance Expenses

	31-Mar-14 Amount	March 31, 2013 Amount
Consumable Store	1,440	220,851
Electric Expense	25,282	-
Repairs to Road Work	12,219,739	12,000,000
Cement	8,780	-
Bricks	12,000	-
Metal	35,000	-
Termoplastic Paints	19,500	-
Repairing to Other	38,828	-
Repairing to Vehicles	12,540	-
Annual Maintaince Charge	108,624	-
Diesel & Oil	20,584	-
Bituman	136,060	-
Electric Power Bill	93,790	91,518
Toll Plaza	11,822	-
Wages	1,159,290	-
Transportation	34,000	-
Insurance	73,291	37,779
Machinery Hire Charge	1,500	-
Vehicle Hire Charges	14,800	15,650
<b>Total Repairs and Maintenance Expenses</b>	<b>14,026,870</b>	<b>12,365,798</b>

16 Other Expenses

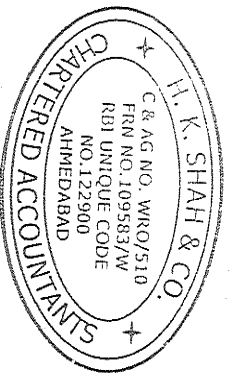
	31-Mar-14 Amount	March 31, 2013 Amount
Audit Fees	71,180	50,000
Computer Expense	21,995	13,866
Consultancy Charge	87,986	43,823
Conveyance Expense	13,685	4,456
General Expense	399,415	289,314
Post & Telegram Expense	7,269	9,733
Printing & Stationary Expense	182,519	151,374
Telephone Expense	7,000	6,650
Travelling Expense	3,001	5,695
ROC Filling Exp	12,011	910
Legal Expense	171	-
Security Charges	-	5,000
Concession Fees (GSRDC)	1	1
Lease Fees	1	1
Loss on Sales of Assets	20,892	-
Service Tax	6,180	-
Vehicle Tax	1,000	-
House Keeping	5,328	-
<b>Total Other Expenses</b>	<b>839,634</b>	<b>580,823</b>



## Note No. 5 FIXED ASSETS

SR	FIXED - ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS ON	ADDITION	DEDUCTION	AS ON	ADDITION	DEDUCTION	AS ON	AS ON		
		01-04-13			31-03-14			01-04-13		31-03-14	31-03-13
	Tangible Assets										
1	Office Equipment	483,808	100,223	32,351	551,680	102,175	59,693	161,868	389,812	301,633	
1	Vehicle	285,391	-	-	285,391	18,219	69,171	87,390	198,001	267,172	
	Total - (i)	769,199	100,223	32,351	837,071	120,394	128,864	249,258	587,813	648,805	
	Build, Operate & Transfer Project Expenditure										
3	Project Road - Build Operate and Transfer Project Expense *	84,447,460	-	-	84,447,460	41,223,038	10,806,105	52,029,143	32,418,317	43,224,422	
	Total - (ii)	84,447,460	-	-	84,447,460	41,223,038	10,806,105	52,029,143	32,418,317	43,224,422	
	Total - (i) + (ii)	85,216,659	100,223	32,351	85,284,531	41,343,432	10,934,969	52,278,401	33,006,130	43,873,227	
	Previous year	84,920,925	295,734		85,216,659	35,585,594	5,757,838	41,343,432	43,873,227		

\* 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.



Sr	Particulars	Amount
	<b>Sundry Creditors</b>	
1	Avadh Road Ways	6500
2	Economic Law Practice	45000
3	GSRDC Payable	4
4	Jalaram Traders	44550
5	M Sahu & Company	2000
6	Vidhi Enterprise	566
7	H.K. Shah & Company	55016
	<b>Other Payable</b>	
7	Audit Fees Payable	54000
8	Bonus Payable	63009
9	Salary Payable	33110
10	Provision for Expense	18202
		<u>321957</u>
	<b>Statutory Liabilities</b>	
	Tds on Professional Charge	12489
	Tds on Sub-Contractor	34316
	Service Tax Payable	6180
		<u>52985</u>
	<b>Current Account With Bank</b>	
	Corporation Bank CA - 2303	105150
	Corporation Bank E Payment A/c-Cbca 2476	10000
	Hdfc Bank Ltd-04058140000023	111941
	State Bank Of India (H.Nagar) 10884224645	10000
	State Bank of India (Indore) 30013027185	471842
		<u>708933</u>
	<b>Fixed Deposits Accounts.</b>	
	Fixed Deposits with Sbi-30043574267	163922
	Fixed Deposit with SBI (F.D A/c No.32335343189)	849000
		<u>1012922</u>
	<b>Advance Recoverable in Cash or in Kind</b>	
	Loan to staff	5475
	Evergreen Sales	15270
	G.S.R.D.Corp	2
	Mycar (Bhopal) Pvt. Ltd.	7230
	Pre-Paid Expense	3296
		<u>31273</u>
	<b>Advance to Related Parties</b>	
	MSK Projects Kim Mandvi Corridor P Ltd	<u>2368650</u>
		<u>2368650</u>

