



# H K Shah & Co.

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

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TO  
THE MEMBERS OF  
MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED,

#### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss (including other comprehensive income) for the period 01st April 2018 to 31st March 2019, the Cash Flow Statement for the year then ended and the statement of changes in equity for the period, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit (including other comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

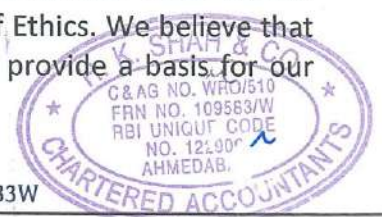
GSTIN 24AACFH1917R1Z6 | PAN AACFH1917R | FRN 109583W

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🏢 **Branch Offices** | Gujarat, Maharashtra, Tamil Nadu &  
Uttar Pradesh



## Management's Responsibility for Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing Ind AS financial statements, management is responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless management either intended to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

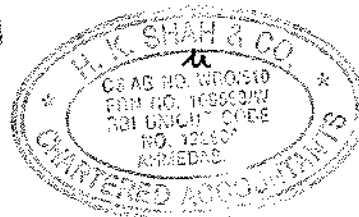
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

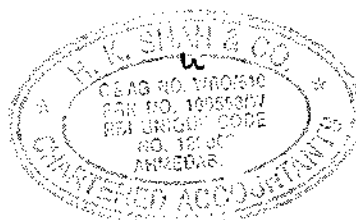
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Report on Other Legal and Regulatory Requirements

- I. As required by the- Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
- II. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued there under;
  - e) On the basis of the written representations received from the directors as on 01 April, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in



our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019

For, H. K. Shah & Co.,  
Chartered Accountants

FRN: 109583W

CA Gopesh K Shah

Partner

M. No. 106204



Place: Mumbai

Date: 13.5.19

## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 on Report on Other Legal and Regulatory Requirements of our report of even date)

- i. In respect of Property, Plant and Equipment:
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
  - b. All property, plant and equipment have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records, the title deeds of immovable properties are held in the name of the company.
  
- ii. In respect of inventories:

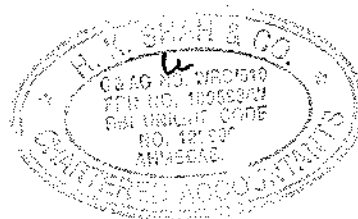
The company does not have any inventories during the year. So the reporting obligation under this clause is not applicable.
  
- iii. In respect of loans granted:

The Company has not granted any loans, secured or unsecured, during the year.
  
- iv. In respect of loans, investments, guarantees and security:

According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, guarantees and security or not made any investment as stipulated in section 185 and 186 of the Companies Act, 2013.
  
- v. In respect of acceptance of deposits:

The Company has not accepted any deposits with non-compliance of directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
  
- vi. In respect of cost records:

In our opinion and according to the information and explanations given to us, the Company does not fall within the criteria prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013.







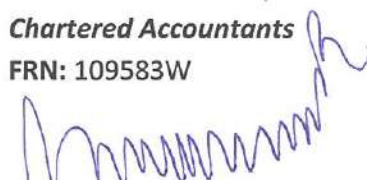
xv. In respect of non-cash transaction:

According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with them in non-compliance of provision of section 192 of the Companies Act, 2013.

xvi. In respect of registration with RBI:

According to the information and explanations given to us and on the basis of our examination of the records, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and so, registration has not been obtained.

**For, H. K. Shah & Co.,**  
**Chartered Accountants**  
FRN: 109583W

  
**CA Gopesh K Shah**  
**Partner**  
M. No. 106204



Place: Mumbai

Date: 13.5.19



## Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED** ("the company") as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. As informed to us the internal audit is being conducted for the parent company, which covers the subsidiary company audited by us.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain



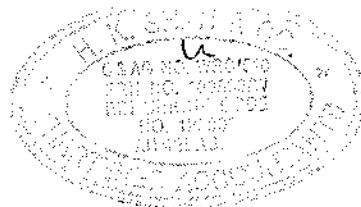
reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, H. K. Shah & Co.,

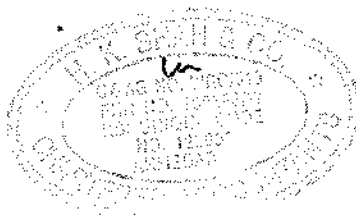
*Chartered Accountants*

FRN: 109583W

CA Gopesh K Shah

Partner

M. No. 106204



Place: Mumbai

Date: 13.5.19

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

**Balance Sheet as at 31 March 2019**

(Rs in lakhs)

	Notes	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	2(a)	7	8
(b) Intangible assets	2(b)	77	103
(c) Financial assets			
(d) Deferred tax assets (net)	3	56	18
(e) Non-current tax assets (net)	4	0	6
<b>Total non-current assets</b>		<b>140</b>	<b>135</b>
<b>2. Current assets</b>			
(a) Financial assets			
(i) Investments	5	690	0
(ii) Trade Receivables	6	17	43
(iii) Cash and cash equivalents	7	28	60
(iv) Bank balances other than (iii) above	8	130	517
(v) Loans	9	0	0
(iv) Other financial assets	10	1	1
(c) Other current assets	11	0	5
<b>Total current assets</b>		<b>866</b>	<b>626</b>
<b>Total assets</b>		<b>1006</b>	<b>761</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	12 (a)	24	24
(b) Other equity	12 (b)	933	666
<b>Total equity</b>		<b>958</b>	<b>690</b>
<b>LIABILITIES</b>			
<b>1. Non-current liabilities</b>			
(a) Provisions	13	11	8
<b>Total non-current liabilities</b>		<b>11</b>	<b>8</b>
<b>2. Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		0	0
Total outstanding dues of creditors other than micro enterprises and small enterprises		13	53
(ii) Other financial liabilities	15	0	0
(b) Provisions	16	1	1
(c) Other current liabilities	17	1	1
(d) Current tax liabilities	18	23	8
<b>Total current liabilities</b>		<b>38</b>	<b>63</b>
<b>Total equity and liabilities</b>		<b>1006</b>	<b>761</b>

Notes forming part of the financial statements 1 to 38

As per our report of even date  
**For H.K. Shah & Co.**  
 Chartered Accountants  
 Firm Registration Number 109583W

**CA Gopesh Shah**  
 Partner  
 Membership Number 106204

Place: Mumbai  
 Date : 13/05/2019

For and on behalf of the Board

**Sandeep Garg**  
 Director  
 DIN 00036419

**Shriniwas Kargutkar**  
 Director  
 DIN 06926585

Place: Mumbai  
 Date : 13/05/2019

Place: Mumbai  
 Date : 13/05/2019

**MSK Projects (Himmatnagar Bypass) Private Limited**  
**Statement of Profit and Loss for the period ended 31 March 2019**

(Rs in lakhs)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
I. Revenue from operations	19	556	532
II. Other income	20	79	5
III. <b>Total income (I+II)</b>		<b>635</b>	<b>537</b>
IV. <b>Expenses</b>			
Subcontracting, civil and repair work	21	96	43
Employee benefit expense	22	83	77
Finance costs	23	2	1
Depreciation and amortisation expense	24	28	36
Other expenses	25	99	42
<b>Total expenses</b>		<b>308</b>	<b>199</b>
V. <b>Profit before tax (III - IV)</b>		<b>327</b>	<b>338</b>
VI. <b>Income tax expense</b>			
- Current tax		78	96
- MAT Credit entitled pertaining to earlier years		0	(45)
- Deferred tax charge/ (credit)		(20)	6
		<b>58</b>	<b>57</b>
VII. <b>Profit/ (loss) for the year (V-VI)</b>		<b>269</b>	<b>281</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement gain/ (losses) on define benefit plan		(2)	(3)
Income tax effect on above		1	1
VIII. <b>Other comprehensive income for the year</b>		<b>(1)</b>	<b>(2)</b>
IX. <b>Total comprehensive income for the year (VII + VIII)</b>		<b>268</b>	<b>279</b>
<b>Earnings per equity share of Rs.10 each fully paid up</b>	33		
Basic (Rs)		110.55	115.17
Diluted (Rs)		110.55	115.17

Notes forming part of the financial statements

1 to 38

As per our report of even date

**For H.K. Shah & Co.**

Chartered Accountants  
 Firm Registration Number 109583W

**CA Gopesh Shah**

Partner

Membership Number 106204

Place: Mumbai

Date : 13/05/2019

**For and on behalf of the Board**

**Sandeep Garg**

Director

DIN 00036419

Place: Mumbai

Date : 13/05/2019

**Shrinivas Kargutkar**

Director

DIN 06926585

Place: Mumbai

Date : 13/05/2019

**MSK Projects (Himmatnagar Bypass) Private Limited**  
**Statement of cash flows for the year ended 31 March 2019**

(Rs in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>A. Cash flow from operating activities</b>		
Profit before tax	327	338
<b>Adjustments for</b>		
Depreciation & Amortisation	28	36
Finance costs	2	1
<b>Operating profit before working capital changes</b>	<b>357</b>	<b>375</b>
<b>Adjustments for :</b>		
Increase / (decrease) in other current liabilities	(42)	49
Increase / (decrease) in short term loans & advances	0	-
(Increase) / decrease in trade receivable	26	(24)
(Increase) / decrease in Other Current Assets	5	178
<b>Cash generated from / (used in) operations</b>	<b>(5)</b>	<b>203</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>352</b>	<b>578</b>
Less: Direct taxes paid	(78)	(61)
<b>Net cash used in operating activities</b>	<b>274</b>	<b>517</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	0	0
Investment in Bonds	690	0
<b>Net Cash inflow from/ (outflow) from investing activities</b>	<b>690</b>	<b>0</b>
<b>C. Cash flow from financing activities</b>		
Financial expense including interest	2	1
	2	1
<b>Net Increase / (decrease) in cash and cash equivalent</b>	<b>(418)</b>	<b>516</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>576</b>	<b>60</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>158</b>	<b>576</b>

Notes :

1. Break up of cash and cash equivalents are as follows :-

(Rs in lakhs)

Balances with banks in :-		
Cash in hand	28	4
Current accounts	130	572
	<b>158</b>	<b>576</b>

2 As required by Ind AS 7 "Statement of Cash Flows", a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 36

3. Previous year figures are regrouped/ reclassified wherever considered necessary.

As per our report of even date

**For H.K. Shah & Co.**

Chartered Accountants

Firm Registration Number 109583W

**CA Gopesh Shah**

Partner

Membership Number 106204

Place: Mumbai

Date : 13/05/2019

**For and on behalf of the Board**

**Sandeep Garg**

Director

DIN 00036419

Place: Mumbai

Date : 13/05/2019

**Shriniwas Kargutkar**

Director

DIN 06926585

Place: Mumbai

Date : 13/05/2019



**MSK Projects (Himmatnagar Bypass) Private Limited**  
Notes forming part of the financial statements

**Statement of changes in equity for the year ended 31 March 2019**

**A. Equity share capital**

(Rs in lakhs)

Balance as at 31 March 2018		24
Changes in equity share capital		-
<b>Balance as at 31 March 2019</b>		<b>24</b>

**B. Instruments entirely equity in nature**

(Rs in lakhs)

Balance as at 31 March 2018		-
Issue of compulsorily convertible debentures		-
<b>Balance as at 31 March 2019</b>		<b>-</b>

**C. Other equity**

(Rs in lakhs)


	Attributable to owners of MSK Projects (Himmatnagar Bypass) Private Limited		
	Capital reserve	Retained earnings	Total other equity
Balance as at 31 March 2018	209	457	666
Profit for the year	-	269	269
Other comprehensive income	-	(1)	(1)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>268</b>	<b>268</b>
<b>Balance as at 31 March 2019</b>	<b>209</b>	<b>725</b>	<b>934</b>

Notes forming part of the financial statements

Notes forming part 1 to 38

As per our report of even date  
**For H.K. Shah & Co.**  
Chartered Accountants  
Firm Registration Number 109583W

**For and on behalf of the Board**

  
**CA Gopesh Shah**  
Partner  
Membership Number 106204

  
**Sandeep Garg**  
Director  
DIN 00036419

  
**Shrinivas Kargutkar**  
Director  
DIN 06926585

Place: Mumbai  
Date : 13/05/2019

Place: Mumbai  
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Place: Mumbai  
Date : 13/05/2019

**MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**1. Corporate information**

MSK Projects (Himmatnagar Bypass) Private Limited, ('The Company') is a wholly owned subsidiary company of Welspun Enterprises Limited. The Company is engaged into infrastructure development on Build, Operate & Transfer (BOT) Basis

The separate financial statements (hereinafter referred to as "Financial Statements") of the Company for the financial year 2018-19 were authorized for issue in accordance with a resolution of board of directors on 13<sup>th</sup> May 2019

**2. Basis of preparation of financial statements**

The financial statements are prepared on going concern basis in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with previous GAAP, including accounting standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounting Standards) Rules, 2014.

The financial statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets, derivative financial instrument and liabilities which have been measured at fair value (Refer accounting policy regarding financial instruments)

The financial statements are presented in INR, except when otherwise indicated.

**3. Significant accounting policies**

**i) Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

The company has identified 12 months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**ii) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

**a) Sale of goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects GST, Value Added Tax (VAT) and Central Sales Tax (CST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

**b) Interest income**

For all debt instruments measured at amortized cost and interest bearing financial assets classified as fair value through other comprehensive income, interest income is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in 'finance income' in the statement of profit and loss. Interest income on interest bearing financial assets classified as fair value through profit and loss is shown under other income

**iii) Exceptional items**

On certain occasion, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

**iv) Property, plant and equipment's**

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

Subsequent to initial recognition, property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of the replaced part accounted for as a separate asset previously is derecognized. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on property, plant and equipment is provided on written down value basis as per the rate derived on the basis of useful life and method prescribed under Schedule – II of the Companies Act 2013.

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The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

The Company classifies non-Current assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and action required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete that sale within one year from the date of classification. Non-Current Assets Classified as held for sale are measured at the lower their carrying amount and the fair value less cost to sell. Non-Current assets are not depreciated or amortized.

**v). Intangible assets:**

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its intangible assets as recognized in its previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015

The right to collect toll gives rise to an intangible asset and accordingly the intangible asset model is applied. Intangible Assets i.e. BOT Cost (Toll Collection right) existing on transition date, viz., 1 April 2015 are amortized over the period of concession, using revenue based amortization. Under this methodology, the carrying value is amortized written off over the concession period on the basis of written down value at the rate of 25% management if there is any change in the projected revenue from previous estimates, the amortization of toll collection rights is changed prospectively to reflect any change in the estimates

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

**vi). Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For

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longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the statement of profit and loss.

**vii). Taxes on income**

**a) Current tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current taxes are recognized in profit or loss except to the extent that the tax relates to items recognized in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b) Deferred tax**

Deferred income tax is recognized on all temporary differences which are the differences between the carrying amount of an asset or liability in the statement of financial position and its tax base except when the deferred income tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax liabilities are recognized for all taxable temporary differences; and deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date and based on the tax consequence which will follow from the manner in which the Company expects, at financial year end, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to item recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liability and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

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**viii). Foreign currency transactions**

The Company's financial statements are presented in INR, which is also the company's functional currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

**ix). Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**x). Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

**xi). Provisions, contingent liabilities and contingent assets**

**a) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. when discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

**b) Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Information on contingent liabilities is disclosed in the notes to the financial



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statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed if the inflow of economic benefits is probable.

**xii) Leases**

For arrangements entered into prior to 1st April 2015 the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Operating Lease:

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lesser are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**xiii) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**A. Financial assets**

**a) Initial recognition and measurement**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset except for financial assets classified as fair value through profit or loss.

**b) Subsequent measurement**

For the purposes of subsequent measurement, financial assets are classified in four categories:

- i) Debt instruments measured at amortized cost
- ii) Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- iii) Debt instruments and derivatives measured at fair value through profit or loss (FVTPL)
- iv) Equity instruments measured at FVTOCI or FVTPL

**Debt instruments**

The subsequent measurement of debt instruments depends on their classification. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

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**i) Debt instruments measured at amortized cost**

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**ii) Debt instruments measured at fair value through other comprehensive income (FVTOCI)**

Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payment of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in the OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Currently the Company doesn't have any financial assets classified under this category.

**iii) Debt instruments and derivatives measured at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category and Derivative instruments are measured at fair value with all changes recognized in the P&L.

**iv) Equity instruments measured at FVTOCI or FVTPL**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Currently the Company doesn't have any financial assets classified under this category.

**B. Derecognition of financial assets**

A financial asset is derecognised only when

- i) The Company has transferred the rights to receive cash flows from the financial asset or

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- ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**C. Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- i) Financial assets measured at amortized cost.
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to

- i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve after the reporting date) or
- ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

The Company follows 'simplified approach' for impairment loss allowance on trade receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on twelve months ECL.

**D. Financial liabilities**

**a) Initial recognition and measurement**

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial liability at initial recognition. All financial liabilities are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability except for financial liabilities classified as fair value through profit or loss.

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**b) Subsequent measurement**

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- i) Financial liabilities measured at amortized cost
- ii) Financial liabilities measured at FVTPL (fair value through profit or loss)

**i) Financial liabilities measured at amortized cost**

After initial recognition, financial liability is subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

**ii) Financial liabilities measured at FVTPL (fair value through profit or loss)**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the statement of profit and loss.

**c) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**xiv). Fair value measurement**

The Company measures financial instruments, such as, investment in debt and equity instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

**xv). Government grant**

Government grants (except those existing on transition date) are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

**xvi) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a Substantial period of time get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**xvii) Retirement and other employee benefits**

**a). Short term employees benefits:**

Short Term Employees Benefits, are recognized in the period during the period which services have been rendered.

Accumulated Leave which is expected to be utilized within twelve months is treated as Short Term employee's benefits. The Company measures the expected Cost of such absence as additional amount that expects to pay as result of the unused entitlement that has accumulated at the reposting date.

**b). Long term employee's benefits:**

**b i). Provident fund, family pension fund.**

As per Provident Fund Act 1952, all employees of the Company are entitled to receive benefits under the provident fund and family pension fund which is define contribution plan. These contributions are made to the plan administered and managed by Government of India.

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Retirement benefit in form of the Provident Fund is defined contribution scheme. The Company has no obligation other than the contribution payable to the Provided Fund. The Company recognized Contribution payable to the Provided Fund scheme are expenditure, when an employees rendered the related services, if contribution payable to the scheme for services received before the Balance Sheet date exceed the contribution already paid, the deficit payable to scheme is recognized as a liability after deducting the contribution already paid. If the Contribution already paid exceed to contribution due for services received before the Balance Sheet Date then exceed recognized as an assets to the extent the pre-payment will lead too.

**b ii). Leave encashment:**

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

**b iii). Gratuity:**

The Company provides for gratuity obligations through a Defined benefits retirement plan ("The Gratuity Plan") covering all employees. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the project unit credit method, which recognizes each period of service as giving rise to additional unit of employees benefits entitlement and measure each unit separately to build up final obligation. The obligation is measured at the present value of the estimated cash flows. The discount rate used for determining present value of the defined obligation under the defined benefit plan is based on the market yield on Government Securities as at the balance sheet date. Actuarial gains and losses are recognized in Profit and Loss Account as and when determined.

**xviii) Derivative financial instrument**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

**Significant estimates, judgements and assumptions**

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

**a) Contingencies and commitments**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallizing or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the



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notes, if any, but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

**b) Impairment testing**

i. Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognized. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

ii. Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

**c) Taxes**

i) The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

ii) Accruals for tax contingencies require management to make judgments and estimates in relation to tax audit issues and exposures.

i) The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax Company in which the deferred tax asset has been recognized.

**d) Fair Value Measurement**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions.

**e) Standards issued but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard.

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**i. Ind AS 116 Leases**

Ind AS 116 Leases was notified on 31 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases. The Company intends to adopt these standards, if applicable, when they become effective. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

**ii. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

**MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED**  
**Notes forming part of the financial statements**

iii. Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

iv. Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED

Notes forming part of the financial statements

2 (a) Property, plant and equipment and capital work-in-progress

(Amount in Lakhs)

	Toll Equipments	Vehicles	Office equipments	Computers	Furniture & Fixture	Total
<b>Gross carrying amount (cost)</b>						
As at 31 March 2018	20	3	1	0	1	25
Additions	0	0	0	0	0	0
Disposals						0
Transfer to assets held for sale						0
As at 31 March 2019	20	3	1	0	1	25
<b>Accumulated depreciation</b>						
As at 31 March 2018	13	3	0	0	0	17
Additions during the year	2	0	0	0	0	2
Deletions during the period						
Transfer to assets held for sale						
As at 31 March 2019	14	3	0	0	0	19
Net carrying amount as at 31 March 2019	6	0	0	0	0	7
Net carrying amount as at 31 March 2018	7	1	0	0	0	8

2 (b) Intangible Assets ::

(Amount in Lakhs)

	Himmatnagar Bypass Projects	Total
<b>Gross carrying amount (cost)</b>		
As at 31 March 2018	243	243
Additions		
Disposals		
As at 31 March 2019	243	243
<b>Accumulated depreciation</b>		
As at 31/03/2018	141	141
Additions during the year	26	26
Deletions during the period		
As at 31/03/2019	166	166
Net carrying amount as at 31 March 2019	77	77
Net carrying amount as at 31 March 2018	103	103

**MSK Projects (Himmatnagar Bypass) Private Limited**  
**Notes forming part of the financial statements**

3. Deferred tax Assets (net)	(Rs in lakhs)	
	As at 31 March 2019	As at 31 March 2018
Deprecation	21	(3)
Retirement Benefits	-	3
MAT credit entitlement	35	18
	<u>56</u>	<u>18</u>

4. Non-current tax assets (net)		
	As at 31 March 2019	As at 31 March 2018
Balance with Government authorities		
- Direct tax (net of provision)	-	6
<b>Total</b>	<u>-</u>	<u>6</u>

5. Investments		
	As at 31 March 2019	As at 31 March 2018
<b>Quoted</b>		
Investment in Bonds	690	-
<b>Total</b>	<u>690</u>	<u>-</u>
Aggregate book value of the Investments	856	-
Aggregate market value of the Investments	856	-

6. Trade Receivable		
	As at 31 March 2019	As at 31 March 2018
Trade Receivable	17	43
<b>Total</b>	<u>17</u>	<u>43</u>

No trade or other receivable are due from Directors or other officer of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private Companies respectively in which any directors is partner, a director or member.

for terms and condition relating t the party receivables

Trade Receivable are non interest and are normally settled as per payment terms mentioned in contracts

7 Cash and cash equivalents		
	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- In current accounts	24	56
Cash	4	4
<b>Total</b>	<u>28</u>	<u>60</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short term deposits rates.

8 Bank balances other than (note - 7) above		
	As at 31 March 2019	As at 31 March 2018
Balance with Banks		
Deposits account having original maturity of more than three months & less than 12 months	130	517
<b>Total</b>	<u>130</u>	<u>517</u>

**MSK Projects (Himmatnagar Bypass) Private Limited**  
**Notes forming part of the financial statements**

**9 Current financial assets - Loans**

	As at 31 March 2019	As at 31 March 2018
(Unsecured considered good, unless otherwise stated)		
Security deposit	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**10 Current financial assets - others**

	As at 31 March 2019	As at 31 March 2018
(Unsecured considered good, unless otherwise stated)		
Advances recoverable in cash or kind	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

**11 Other current assets**

	As at 31 March 2019	As at 31 March 2018
(Unsecured considered good, unless otherwise stated)		
Advance against goods and services	0	5
<b>Total</b>	<b>0</b>	<b>5</b>



**MSK Projects (Himmatnagar Bypass) Private Limited**  
**Notes forming part of the financial statements**

**12 Share capital and other equity**

**12(a) - Equity share capital**

	(Rs in lakhs)	
	As at 31 March 2019	As at 31 March 2018
<b>Authorised capital</b>		
2,50,000 (31 March 2019 2,50,000) equity shares of Rs 10 each	25	25
<b>Issued, subscribed and paid up</b>		
2,42,000 (31 March 2019 2,42,000) equity shares of Rs 10 each fully paid up	24	24
<b>Total</b>	<b>24</b>	<b>24</b>

**i) Reconciliation of number of shares outstanding**

	As at 31 March 2019		As at 31 March 2018	
	Number of equity shares	(Rs in lakhs)	Number of equity shares	(Rs in lakhs)
At the beginning of the period	2,42,000	24	2,42,000	24
Add : Issued during the year	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>2,42,000</b>	<b>24</b>	<b>2,42,000</b>	<b>24</b>

**ii) Rights, preference and restriction on shares**

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company the holder of the equity share will be entitled to receive remaining assets of the Company after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

**iii) Details of shares held by holding company**

	As at 31 March 2019		As at 31 March 2018	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Welspun Enterprises Limited and its nominees	2,42,000	100.00%	2,42,000	100.00%

**iv) Details of shareholders holding more than 5% shares in the Company**

	As at 31 March 2019		As at 31 March 2018	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Welspun Enterprises Limited and its nominees	2,42,000	100.00%	2,42,000	100.00%

v) The Company has not issued any bonus shares, shares issued for consideration other than cash and shares bought back during the last five years immediately preceding the reporting date 31 March 2019.

**12(b) - Other Equity**

	(Rs in lakhs)	
	As at 31 March 2019	As at 31 March 2018
Capital reserve	209	209
Retained earnings	725	457
<b>Total</b>	<b>934</b>	<b>666</b>

**MSK Projects (Himmatnagar Bypass) Private Limited**  
**Notes forming part of the financial statements**

**(i) Capital reserve**

Opening balance	209	209
Incurred during the year	-	-
<b>Closing balance</b>	<b>209</b>	<b>209</b>

**(i) Retained earnings**

Opening balance	457	178
Total comprehensive income for the year	268	279
<b>Closing balance</b>	<b>725</b>	<b>457</b>

Nature and purpose of reserves :-

**Retained earnings**

Retained earnings represent the profit made/ loss incurred by the Company for the period.

**MSK Projects (Himmatnagar Bypass) Private Limited**  
**Notes forming part of the financial statements**

**13 Provision for Employee benefits** (Rs in lakhs)

	As at 31 March 2019	As at 31 March 2018
- Gratuity	7	4
- Leave Encashment	4	4
<b>Total</b>	<b>11</b>	<b>8</b>

**14 Trade payables**

	As at 31 March 2019	As at 31 March 2018
Trade Payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises	13	53
<b>Total</b>	<b>13</b>	<b>53</b>

Trade payables are non-interest bearing and are normally settled on 60 day terms

**15 Current financial liabilities - others**

	As at 31 March 2019	As at 31 March 2018
Payable to employees	0	-
<b>Total</b>	<b>0</b>	<b>-</b>

Payable to employees are non-interest bearing and are normally settled on 60 day terms

**16 Short Term Provisions**

	As at 31 March 2019	As at 31 March 2018
Provision for Employee benefits		
- Gratuity	1	1
- Leave Encashment	0	0
<b>Total</b>	<b>1</b>	<b>1</b>

**17 Other current liabilities**

	As at 31 March 2019	As at 31 March 2018
Statutory dues	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

**18 Current tax liabilities**

	As at 31 March 2019	As at 31 March 2018
Provision for Income Tax	23	8
<b>Total</b>	<b>23</b>	<b>8</b>

**MSK Projects (Himmatnagar Bypass) Private Limited**  
**Notes forming part of the financial statements**

**19 Revenue from operations** (Rs in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Build, Operate & Transfer (BOT) basis	556	532
<b>Total</b>	<b>556</b>	<b>532</b>

**20 Other income**

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on financial assets at amortised cost		
- On bank deposits	16	5
Provision no longer required	35	-
<b>Interest income</b>		
- Financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	7	-
Net gain on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	21	-
<b>Total</b>	<b>79</b>	<b>5</b>

**21 Sub-contracting costs**

	Year ended 31 March 2019	Year ended 31 March 2018
Repair & maintenance of Road	96	43
Civil and Sub Contracting Works	-	0
<b>Total</b>	<b>96</b>	<b>43</b>

**22 Employee benefit expenses**

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	72	67
Contribution to Provident and Other Funds	5	5
Staff welfare	6	5
<b>Total</b>	<b>83</b>	<b>77</b>

**23 Finance costs**

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expenses on financial liabilities at amortised cost		
- Others	1	-
Other borrowing costs	0	1
Net defined benefit	1	-
<b>Total</b>	<b>2</b>	<b>1</b>

**24 Depreciation and amortisation expense**

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on property, plant and equipment	2	2
Amortisation of intangible assets	26	34
<b>Total</b>	<b>28</b>	<b>36</b>

**MSK Projects (Himmatnagar Bypass) Private Limited**  
**Notes forming part of the financial statements**

**25 Other expenses**

	Year ended 31 March 2019	Year ended 31 March 2018
Stores and spares consumed	1	5
Hire charges	2	11
Site expenses	12	8
Rent	2	1
Repairs and maintenance :-		
- Plant and machinery	0	0
- Others	38	1
Power, fuel and water charges	3	2
Legal and professional fees	5	9
Payment to Auditors :-		
- Audit fees	1	1
- Taxation matters	1	1
- Other services	0	-
Insurance costs	1	1
Rates and taxes	-	0
Communication expenses	0	0
Printing and stationary	0	0
Travelling and conveyance expense	2	1
Donation	0	-
Filing and registration expenses	-	0
Miscellaneous expenses	31	1
<b>Total</b>	<b>99</b>	<b>42</b>

26 Disclosures pursuant to adoption of Ind AS 19 Employee Benefits

The present value of obligation is based on actuarial valuation using the projected unit credit method.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitle to specific benefit. The benefit is based on final salary and service. The benefits of the scheme are paid, as and when, the employee leaves the employment.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet for the respective plan:

	(Amount in Lakhs)	
	As at 31 March 2019	As at 31 March 2018
<b>Service Cost</b>		
Current service cost	1	1
Interest cost on benefit obligation		
Net benefit expenses (recognised in profit and loss)	1	1

Expenses recognised during the year in other comprehensive income (OCI)

	As at 31 March 2019	As at 31 March 2018
Actuarial (gains) / losses arising from changes in financial assumptions	(0)	0
Actuarial (gains) / losses arising from changes in experience assumptions	2	5
<b>Net expenses</b>	<b>2</b>	<b>5</b>

Net liability recognised in the balance sheet

	As at 31 March 2019	As at 31 March 2018
Present value of obligation	8	4
<b>Liability recognized in balance sheet</b>	<b>8</b>	<b>4</b>

Reconciliation of opening and closing balances of defined benefit obligation

	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation as at the beginning of the year	-	-
Current service cost	-	-
Interest cost	1	1
Actuarial (gain) / loss on obligation	2	5
Liability transferred in/ (paid)	-	-
Benefits paid by the company	(1)	(2)
<b>Defined benefit obligation at the end of the year</b>	<b>2</b>	<b>4</b>

Reconciliation of opening and closing balance of net defined benefit obligation

Fair value of plan assets at the Beginning of the Year	1	1
Actuarial gain/ (loss)	2	5
Benefit paid	(1)	(2)
<b>Fair value of plan assets as at 31 March 2018</b>	<b>2</b>	<b>4</b>

Changes in fair value of assets

	(Amount in Lakhs)	
	As at 31 March 2019	As at 31 March 2018
Fair value of plan asset as at beginning of period	-	-
Actual return on plan assets	-	-
Contribution	-	-
Benefits paid	-	-
Fair value of plan asset as at end of period	-	-
Funded status	-	-
Excess of actual over estimated return	-	-

Net liability disclosed above relates to funded plans are as follows

	(Amount in Lakhs)	
	As at 31 March 2019	As at 31 March 2018
Present value of obligation	8	4
Deficits of funded plans	8	4
<b>Liability Recognized in Balance Sheet</b>	<b>(8)</b>	<b>(4)</b>

**MSKPROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED**  
Notes forming part of the financial statements

**Reconciliation for other comprehensive income**

(Amount in Lakhs)

	As at 31 March 2019	As at 31 March 2018
Net cumulative unrecognized actuarial (gain)/loss opening	-	-
Actuarial gain / (loss) for the year on PBO	(2)	(6)
Actuarial gain / (loss) for the year on Asset	-	-
Unrecognized actuarial gain/ (loss) at the end of the year	(2)	(6)

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

(Amount in Lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>Impact of change in discount rate</b>		
Present value obligation at the end of the period	8	4
Impact due to increase of 0.60%	(0)	(0)
Impact due to decrease of 0.50%	0	0
<b>Impact of change in salary increase</b>		
Present value obligation at the end of the period	8	4
Impact due to increase of 0.50%	0	0
Impact due to decrease of 0.50%	(0)	(0)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

**Maturity Policy of Defined benefit obligation**

(Amount in Lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>Year ended</b>		
31-Mar-20	1.18	0.41
31-Mar-21	1.36	0.54
31-Mar-22	1.81	0.69
31-Mar-23	2.66	0.85
31-Mar-24	2.73	1.03

The average duration of defined benefit obligation is 30.36 years (Previous Year 31.01)

The principal assumptions used in determining gratuity obligation are shown below:

(Amount in Lakhs)

	As at 31 March 2019	As at 31 March 2018
<b><u>Economic assumptions</u></b>		
Discount rate	7.80%	7.80%
Salary Escalation Rate	6.00%	6.00%
<b><u>Demographic assumptions</u></b>		
Mortality	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Retirement Age	The employees retire at 60 years of age.	The employees retire at 60 years of age.
Attrition Rate	6% up to age 35, 5% up to age 44 and 1% thereafter	6% up to age 35, 5% up to age 44 and 1% thereafter

**27 The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.**

	As at 31 March 2019	As at 31 March 2018
Up to 3 months	17	43
<b>Total</b>	<b>17</b>	<b>43</b>



**MSKPROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED**
**Notes forming part of the financial statements**
**28 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, instruments entirely equity in nature (compulsorily convertible debentures) and all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company's capital management is to maximise the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

(Amount in Lakhs)

	As at 31/03/2019	As at 31/03/2018
Borrowings		
Trade payables	13	12
Other payables		42
Less : Cash and cash equivalents (incl other Bank balances)	(158)	(577)
<b>Net Debt</b>	<b>(145)</b>	<b>(523)</b>
Equity	24	24
Instruments entirely equity in nature (CCD)	-	-
Other equity	-	-
<b>Total Capital</b>	<b>24</b>	<b>24</b>
<b>Capital and net debt</b>	<b>(121)</b>	<b>(499)</b>
<b>Gearing Ratio</b>	<b>120%</b>	<b>105%</b>

**(a) Fair value measurement:**
**Financial instruments by category**

(Amount in Lakhs)

	As at 31 March 2019		As at 31 March 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Service concession receivables				
Cash and cash equivalents	28	60	-	60
Loans	0	0	-	0
Other advances	1	5	-	5
<b>Total</b>	<b>29</b>	<b>65</b>	<b>-</b>	<b>65</b>
<b>Financial liabilities at amortised cost</b>				
Borrowings	-	-	-	-
Trade payables	13	11	-	11
Creditor for expenses	-	42	-	42
<b>Total</b>	<b>13</b>	<b>53</b>	<b>-</b>	<b>53</b>

The following methods and assumptions were used to estimate the fair values:

1. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

2. The carrying amounts of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, non-current and current borrowings, trade payables and other financial liabilities that are measured at amortised cost are considered to be approximately equal to the fair value due to short-term maturities of these financial assets/ liabilities.

**30 Income Tax**
**(a) Tax expenses recognised in statement of profit & loss**

(Amount in Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Current Tax</b>		
Current tax on taxable income for the period	78	97
<b>Deferred Tax</b>		
fair value adjustment		
MAT Credit entitlement	-	(45)
<b>Total tax expense</b>	<b>78</b>	<b>52</b>

**MSKPROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED**
**Notes forming part of the financial statements**
**(b) Reconciliation of expenses and the accounting profit multiplied by India's domestic tax rate.**

(Amount in Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Accounting profit before tax	327	338
at India statutory Income tax rate (MAT)	78	97
MAT Credit taken	(20)	(45)
Tax effect of amount which are in calculating taxable income		
Fair value adjustment	-	-
Income tax expense reported in statement of profit & loss (refer note vi (c) of Significant accounting policies)	58	51

**(c) Deferred tax relates to the following:**

(Amount in Lakhs)

	Balance Sheet		Recognized in the statement of profit and loss	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>A. Deferred tax liabilities (net)</b>				
<b>i). Deferred tax liabilities</b>				
Taxable temporary difference - fair valuation		51		51
Less: MAT credit entitlement	56	18		
<b>Total</b>	<b>(56)</b>	<b>33</b>	<b>-</b>	<b>51</b>
<b>B. Deferred tax assets</b>				
<b>ii). Deferred tax assets</b>				
MAT credit entitlement	56	18	-	-
<b>Total</b>	<b>56</b>	<b>18</b>	<b>-</b>	<b>-</b>
<b>Deferred tax charge/(credit) (A + B)</b>			<b>-</b>	<b>51</b>

**31 Contingent liabilities (to the extent not provided for)**

There is no contingent liabilities as on 31st March 2019

**32 Segment Information**

The Company is engaged in one business segment ie infrastructure development. The Company is operating in a single geographical segment i.e India

**33 Earnings per share (EPS)**

(Rupees in Lakhs)

		As at 31 March 2019	As at 31 March 2018
Net profit after tax available for equity shareholders	A	268	279
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)	B	2,42,000	2,42,000
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares)	C	-	-
Basic earnings per share	A/B	110.55	115.17
Diluted earnings per share	A/C	110.55	115.17

**34 Disclosure as required by Ind AS 24 - Related Party disclosures**
**a) Particulars of Holding Company**

(Rupees in Lakhs)

Name of the entities	Extent of holding	
	As at 31 March 2019	As at 31 March 2018
Welspun Enterprises Limited	100%	100%

**c) Directors / Key managerial Personnel (KMP)**

Name of the Related Parties	
Mr. Sandeep Garg	Director
Mr. Banwarilal Biyani	Director
Mr Shrinivas Kargutkar	Director

**d) The following transactions were carried out with related parties in the ordinary course of business:**

(Amount in Lakhs)

Nature of transactions	Year ended 31 March 2019	Year ended 31 March 2018
<b>Loan given during the year</b>		
Welspun Enterprises Limited	94	326
MSK Projects (Kim Mandvi Corridor) Private Limited		25
<b>Loan repaid during the year</b>		
Welspun Enterprises Limited	94	508
MSK Projects (Kim Mandvi Corridor) Private Limited	-	24
<b>Bank Guarantee Issued</b>		
Welspun Enterprises Limited	10	10
<b>Reimbursement of expenses</b>		
MSK Projects (Kim Mandvi Corridor) Private Limited	-	1

**MSKPROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED**  
Notes forming part of the financial statements

- 35 On the basis of information available with the Company and intimation received from suppliers (Trade Payable and other payable), there are no dues payable as on 31st March 2019 (31st March - Nil-) to Micro, Small and Medium enterprises development act, 2006.
- 36 Reconciliation between opening & closing balance in the balance sheet for liabilities arising from financial activities as required by Ind As 7 "Statement of cash flows as under"

	Equity Share Capital	Compulsory convertible debentures	Borrowings
As at 31st March 2018	24	-	-
Cash inflow			
Cash outflow			
Non cash changes	-		
a). Interest accrued	-		
b). Others			
As at 31st March 2019	24	-	-

37 Details of loans given, investments made and guarantee given covered U/s 186 of the Companies Act, 2013

a) The Company is engaged in the business of providing infrastructural facilities as specified under Schedule VI of the Companies Act 2013 (the 'Act') and hence the provisions of Section 186 of the Act related to loans/ guarantees given or securities provided are not applicable to the Company.

b) There are no investments other than as disclosed forming part of the financial statements.

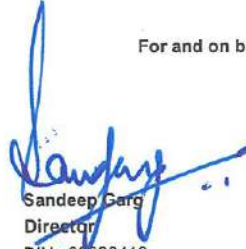
Figures for the previous year are re-classified/ re-arranged/ re-grouped, wherever necessary to be in conformity with the figures of the current year's classification / disclosure.

As per our report of even date attached.  
For H.K. Shah & Co.  
Chartered Accountants  
Firm Registration No.: 109583W




CA Gopesh.K.Shah  
Partner  
Membership No.: 106204  
Place: Mumbai  
Date: 13/05/2019

For and on behalf of the Board of Directors



Sandeep Garg  
Director  
DIN : 00036419  
Place: Mumbai  
Date: 13/05/2019



Shrinivas Kargutkar  
Director  
DIN : 06926585  
Place: Mumbai  
Date: 13/05/2019