

SUREKA ASSOCIATES
CHARTERED ACCOUNTANTS

45 C, MANDHANA MANOR, MOGAL LANE,
MATUNGA ROAD (W), MUMBAI 400 016.
TEL.: 2430 6150, 2432 7608 FAX: 2432 7608
EMAIL: surekas@vsnl.com

INDEPENDENT AUDITOR'S REPORT

To the Members of ARSS Bus Terminal Private Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statement of **ARSS Bus Terminal Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these 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 required that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.

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



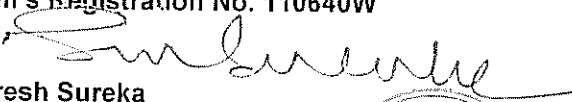
Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2015, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

5. As required by "the Companies (Auditor's Report) Order, 2015 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
6. 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 purpose of audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books,
 - c. in our opinion, the Balance Sheet, and Cash Flow Statement dealt with by this report are in agreement with books of accounts
 - d. In our opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
 - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules 2014, in our opinion and to the best of our information and accordingly to the explanations give 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 for which there were any material foreseeable losses
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm's Registration No. 110640W


Suresh Sureka
Partner
Membership No. 34132

Place : Mumbai
Date : 29 May, 2015



SUREKA ASSOCIATES
CHARTERED ACCOUNTANTS

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ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph (5) of our report of even date to the members of ARSS Bus Terminal Private Limited on the accounts for the year ended 31st March, 2015

- 1.(a) The Company has no Fixed Assets. Hence, Sub-Clause (b) and (c) is not applicable.
2. (a) The Company has not have any inventories. Hence, the question of physical verification and records does not arise.
3. The Company has not granted any loans, secured or unsecured, to any company, firm or other parties covered in the register maintained under section 189 of the Companies Act. As such, repayment of principal and interest and overdue amounts are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with size of the company and the nature of its business with regards to purchase of fixed assets. During the course of our audit, no major weaknesses were noticed in the internal control system in respect of above areas.
5. The Company has not accepted any deposit within the meaning of Section 73 to 76 of the Act and the rules framed thereunder.
6. The Central Government has not prescribed maintenance of cost records under section 148 (1) of the Companies Act, for the company.
7. (a) According to information and explanation given to us and records of the company examined by us, the Company has been regular in depositing undisputed statutory dues, including, Income Tax, and other material statutory dues, as applicable with the appropriate authorities.

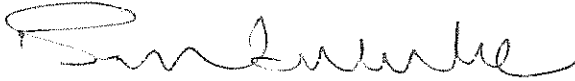
(b) Based on our audit procedures and according to the information and explanations given to us, there are no undisputed arrears of statutory dues which has remained outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.

(c) Based on our audit procedures and according to the information and explanations given to us, there are no amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
8. The Company has not commenced its commercial operations. As such, the question of losses does not arise.
9. In our opinion and according to the information and explanation given to us, the Company does not have any borrowing from Bank / financial institution or debenture holders hence; the question of default does not arise.
10. The Company has not given any guarantee for loans take by others from bank or financial institutions. Hence, question of the terms and condition being prejudicial to the interest of the company does not arise.
11. The Company has not taken any term loans during the year.



12. Based upon the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm's Registration No. 110640W



Suresh Sureka
Partner
Membership No. 34132

Place : Mumbai
Date : 29 May, 2015



ARSS Bus Terminal Private Limited

Balance Sheet as at March 31, 2015

Particulars	Notes	March 31, 2015 Rupees	March 31, 2014 Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	18,62,74,510	18,62,74,510
Current Liabilities			
Other Current Liabilities	2	7,22,69,617	7,22,09,819
Total Equity and Liabilities		25,85,44,127	25,84,84,329
ASSETS			
Non-Current Assets			
Capital Work - In - Progress	3	25,32,05,783	25,28,55,395
Other Non Current Assets	4	11,15,110	11,15,110
Current Assets			
Cash and Cash Equivalents	5	42,03,229	42,03,847
Short Term Loans and Advances	6	20,005	3,09,977
Total Assets		25,85,44,127	25,84,84,329

Significant Accounting Policies

B

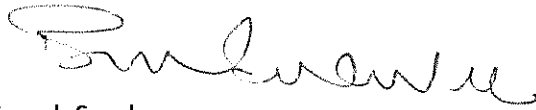
The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sureka Associates

Chartered Accountants

Firm Registration No.: 110640W



Suresh Sureka

Partner

Membership No.: 34132

Place: Mumbai

Date: May 29, 2015



For and on behalf of the Board of Directors

Sandeep Garg

Director

DIN : 00036419

Place: Mumbai

Date: May 29, 2015



Deepak Chauhan

Director

DIN : 01694550

ARSS Bus Terminal Private Limited
Cash Flow Statement
Annexed to the Balance Sheet for the year ended March 31, 2015

	March 31, 2015 Rupees	March 31, 2014 Rupees
Cash flows from investing activities		
Increase in Capital Work In Progress (CWIP)	(3,50,388)	(5,13,113)
Increase in Current liabilities related to above	59,798	7,50,060
Advance given	2,89,972	(20,005)
Net cash flow from/ (used in) investing activities (A)	(618)	2,16,942
Cash flows from financing activities		
Proceeds from Share Application (net of refund)	-	-
Net cash flow from/ (used in) in financing activities (B)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B)	(618)	2,16,942
Cash and cash equivalents at the beginning of the year	42,03,847	39,86,905
Cash and cash equivalents at the end of the year	42,03,229	42,03,847
Components of cash and cash equivalents		
With banks- on current account	42,03,229	42,03,847
Total cash and cash equivalents	42,03,229	42,03,847

Note:

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

As on date, the bank account of the Company is frozen and hence the aforesaid bank balance can be classified as restricted bank balance as per AS 3.

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

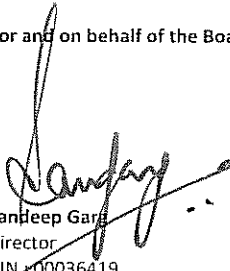


Suresh Sureka
Partner
Membership No.: 34132

Place: Mumbai
Date: May 29, 2015



For and on behalf of the Board of Directors



Sandeep Garg
Director
DIN : 00036419

Place: Mumbai
Date: May 29, 2015



Deepak Chauhan
Director
DIN : 01694550

ARSS Bus Terminal Private Limited

Annexed to and forming part of financial statements for the year ended March 31st, 2015

(All amounts in Indian rupees)

A CORPORATE INFORMATION

ARSS Bus Terminal Private Limited (the Company) has entered into tripartite agreement with Orissa State Road Transportation Corporation (OSRTC) and ARSS Infrastructure Projects Limited to develop, finance, design, construct, manage, operate and maintain the Bus Terminal facility at Baramunda, Bhubaneswar in the state of Orissa.

B SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply.

Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013, and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of the Act. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

ii) Use of Estimates

The preparation of Financial Statements in accordance with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as of the date of financial statements. Actual results could differ from these estimates. Any revision of such accounting estimate is recognized prospectively in current and future periods.

iii) Fixed Assets

- a) Fixed assets are stated at original cost of acquisition net of accumulated depreciation.
- b) All direct expenses attributable to fixed assets are capitalized.
- c) Capital Work In Progress includes preoperative expenditure and is stated at the amount incurred up to the date of Balance Sheet.

C NOTES TO THE FINANCIAL STATEMENTS

1 SHARE CAPITAL

	March 31, 2015	March 31, 2014
	Amount	Amount
Authorised: 20,000,000 (P.Y. 20,000,000) Equity Shares of Rs.10/- each	200,000,000	200,000,000
Issued, Subscribed and Fully Paid up: 18,627,451 (P.Y. 18,627,451) Equity Shares of Rs.10/- each	186,274,510	186,274,510
Total Issued, Subscribed and fully paid up Share Capital	186,274,510	186,274,510



ARSS Bus Terminal Private Limited

Annexed to and forming part of financial statements for the year ended March 31st, 2015

(All amounts in Indian rupees)

a.) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2015		March 31, 2014	
	No.	Amount	No.	Amount
At the beginning of the Period	18,627,451	186,274,510	18,627,451	186,274,510
Issued during the period	-	-	-	-
Outstanding at the end of the period	18,627,451	186,274,510	18,627,451	186,274,510

b.) Terms/right attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting. In the event of Liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	March 31, 2015		March 31, 2014	
	No.	% Holding	No.	% Holding
ARSS Infrastructure Projects Limited	9,500,000	51%	9,500,000	51%
Welspun Enterprises Limited (Refer Note D(1)) *	9,127,451	49%	9,127,451	49%
	18,627,451	100%	18,627,451	100%

* Formerly known as Welspun Projects Limited

2 OTHER CURRENT LIABILITIES

	March 31, 2015	March 31, 2014
	Amount	Amount
Creditors for Services	561,497	578,154
Other Creditors	46,966	30,421
Payable to Related parties	4,806,005	4,736,095
Payable to Other parties	14,451,102	14,451,102
TDS Payable and Other statutory dues	-	10,000
Share Application Money pending allotment #	52,404,047	52,404,047
	72,269,617	72,209,819

Shares will be issued against the application money on such terms as may be agreed by the board from time to time.

3 CAPITAL WORK-IN-PROGRESS (PRE OPERATIVE EXPENSES)

	March 31, 2015	March 31, 2014
	Amount	Amount
Opening Balance	252,855,395	252,342,282
<i>Add: Incurred During the Year</i>		
Demat Charges	-	24,719
Salaries and wages	-	325,554
Professional & Legal Fees	3,618	2,500
Bank Charges & Commission	618	942
Printing, Stationery & Postage	-	1,420
Interest on TDS	-	39,200
Telephone / Internet Expenses	-	4,741
Travelling and Conveyance	-	63,537
ROC Filing Fees	-	500
Service tax	296,152	-
Audit Fees	50,000	50,000
Total Capital Work-in-Progress	253,205,783	252,855,395



ARSS Bus Terminal Private Limited

Annexed to and forming part of financial statements for the year ended March 31st, 2015

(All amounts in Indian rupees)

4 Other Non Current Assets

	March 31, 2015	March 31, 2014
	Amount	Amount
Preliminary expenses	1,115,110	1,115,110
	<u>1,115,110</u>	<u>1,115,110</u>

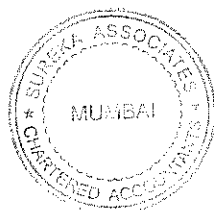
5 CASH AND CASH EQUIVALENTS

	March 31, 2015	March 31, 2014
	Amount	Amount
Balances with bank:		
- On current accounts	4,203,229	4,203,847
	<u>4,203,229</u>	<u>4,203,847</u>

6 SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)

	March 31, 2015	March 31, 2014
	Amount	Amount
Other loans and advances		
Balance with Government authorities	-	289,972
Other advances	20,005	20,005
	<u>20,005</u>	<u>309,977</u>



ARSS Bus Terminal Private Limited

Annexed to and forming part of financial statements for the year ended March 31st, 2015

(All amounts in Indian rupees)

D OTHER NOTES

1 Scheme of Amalgamation and Arrangement

During the year, the Board of Directors of Welspun Projects Limited (WPL) and Welspun Enterprises Limited (WEL) at their respective meeting held on November 4, 2014 approved the Scheme of Amalgamation and Arrangement under Section 391 and 394 of the Companies Act, 1956 ("the Scheme") of WEL and its subsidiaries Welspun Infratech Limited (WITL), Welspun Infra Projects Private Limited (WIPPL), Welspun Plastics Private Limited (WPPL).

Pursuant to the Scheme sanctioned by the Honorable High Court of Mumbai vide its order dated April 10, 2015 and the Honorable High Court of Baroda vide its order dated April 22, 2015, WEL and its subsidiaries WITL, WIPPL, WPPL ("Transferor Companies") merged with WPL ("Transferee Company") retrospectively with effect from April 1, 2014 (the "Appointed Date"). The Scheme came into effect on May 11, 2015 ("Effective Date"), the day on which both the orders were delivered to the Registrar of the Companies, and pursuant thereto the entire business and all the assets and liabilities, duties and obligations of Transferor Companies have been transferred to and vested in the Company with effect from April 1, 2014.

In accordance with the Scheme, the investments held in the respective subsidiaries have been cancelled and the Company issued 12 equity shares of Rs 10 each fully paid up in respect of every equity shares of Rs 10 each fully paid up held in Welspun Enterprises Limited. As the other amalgamating companies were wholly owned subsidiaries of the Company/ Welspun Enterprises Limited, as applicable, no equity shares were exchanged to effect the amalgamation in respect thereof. The equity shares held by WITL in WPL totalling 24,448,445 shall accordingly get extinguished and annulled.

Accordingly Welspun Enterprises Limited (formerly known as Welspun Projects Limited) becomes the shareholder of ARSS Bus Terminal Private Limited.

2 Segment Reporting

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

3 Related Party Disclosures

As per Accounting Standard 18, the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

a.) Related parties where control exists

ARSS Infrastructure Projects Limited
Welspun Enterprises Limited (Refer Note D (1))

b.) Related parties with whom transaction have taken place during the year

Investing Party
Investing Party

ARSS Infrastructure Projects Limited
Welspun Enterprises Limited (Refer Note D (1))

Particulars	ARSS Infrastructure Projects Limited	Welspun Enterprises Limited Refer Note D(1)
Transactions during the year		
Expenses incurred on behalf of the Company	- (-)	69,910 (798,536)
Balances outstanding as at year end		
Equity Share Capital of the Company	95,000,000 (95,000,000)	91,274,510 (91,274,410)
Share Application money received pending allotment	51,954,047 (51,954,047)	450,000 (450,000)
Creditor for expenses	- (-)	4,806,005 (4,736,095)

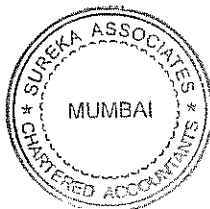
Figures in bracket represent previous year numbers

Note : Related Parties are as disclosed by the Management and relied upon by the auditors.

4 Details of dues to Micro, Small and Medium Enterprises

There are no dues to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2015. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

5 As the Company has not commenced the operations, the Statement of Profit and Loss has not been prepared for the year.



ARSS Bus Terminal Private Limited

Annexed to and forming part of financial statements for the year ended March 31st, 2015

(All amounts in Indian rupees)

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

As per our report of even date
For Sureka Associates
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Firm Registration No.: 110540W

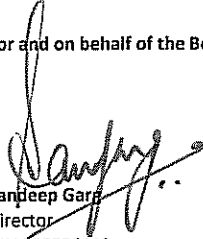


Suresh Sureka
Partner
Membership No.: 34132

Place: Mumbai
Date: May 29, 2015



For and on behalf of the Board of Directors



Sandeep Garh
Director
DIN : 00036419

Place: Mumbai
Date: May 29, 2015



Deepak Chauhan
Director
DIN : 01694550